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Daily Report

China

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Daily Report

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General

PRC Supports UN Efforts for Human Rights

OW1608060394 Beijing XINHUA in English 0546
GMT 16 Aug 94

[Text] Geneva, August 15 (XINHUA)—China is always ready to support and participate in the UN efforts to protect and promote human rights and strongly objects to the use of human rights as a tool to bring pressure to bear on sovereign states, said a Chinese delegate here today.

Jin Yongjian, head of the Chinese observer delegation to the 46th meeting of the sub-committee on prevention of discrimination and protection of minorities, said the Chinese Government attaches great importance to the protection of human rights. Under the Chinese constitution and laws, Chinese citizens enjoy all kinds of human rights and basic freedoms which are exactly the same as those contained in the universal declaration on human rights, he noted.

Jin went on to say that since it adopted the policy of reform and opening to the outside world in 1979, China has been continuously strengthening the construction of its democratic legal system. People without prejudice admit that with the development of the national economy and the improvement of living conditions, all Chinese people now enjoy extensive and wide-ranging rights that they have never had before.

After briefing the participants on the highly effective efforts the Chinese Government has made for the protection of human rights, Jin emphasized China's readiness to support and participate in UN activities for protecting and promoting human rights.

He said that on the basis of mutual respect and equality, China would like to exchange experience, cooperate and open dialogue with other countries on the human rights question. China is strongly against the use of human rights as a tool to exert pressure on sovereign states, he declared.

He pointed out that the human rights conditions of a country are inseparable from its history and social and economic development.

From the Opium War in 1840 to the founding of New China in 1949, China had been a semi-colonial and semi-feudal society for over 100 years and there were no human rights to speak of in the country, Jin noted.

The founding of the People's Republic of China brought basic human rights to the Chinese people while political and social stability and rapid economic development in the past few years have enabled them to further enjoy human rights and basic freedoms, he said.

Li Ruihuan Opens International Culture Festival

OW1508145794 Beijing XINHUA in English 1444
GMT 15 Aug 94

[Text] Beijing, August 15 (XINHUA)—This year's grandest international cultural exchange program in China opened here tonight, ushering in a 10-day long showcase of world arts.

The 1.2 billion Chinese people, together with their counterparts in other parts of the world, got a rare chance to watch the highlights of the '94 China International Folk Art Festival through a live satellite broadcast.

China staged its first and second international art festivals in 1990 and 1992, respectively.

A department of the United Nations is recommending China as the venue for the 2000 world folk art festival.

After the festival was declared open by Li Ruihuan, standing committee member of the Political Bureau of the Chinese Communist Party Central Committee and chairman of the Chinese People's Political Consultative Conference, Vice Premier Li Lanqing delivered a congratulatory speech on behalf of the Chinese Government.

"Folk art, deeply rooted among the people, is a way to express the feelings of the people and the spirit of a nation, and manifest the progress of history. Displays of the folk arts of various nations are also a process of linking up the souls of different peoples and an interflow of their feelings," he said.

He added that it was an occasion when contacts between nations would surely be strengthened and the mutual understanding between Chinese and foreign artists would be deepened.

"It will be a positive contribution to promoting China's reform and opening course and to world peace and progress," he said.

Afterwards, troupes from 16 countries in Asia, Europe, Americas and Oceania performed for two hours.

Maoris from New Zealand performed, as did the Ricks College dancers from the United States, the Andorfer chorus from Austria, a Korean performing arts troupe from Seoul, the Jerusalem folklore troupe from Israel and Yangge dancers from China, among others.

The troupes will later tour four cities in 10 days: Beijing, Shenzhen, Huizhou and Dalian. The shows will be accompanied by Chinese traditional performances, such as Beijing operas, puppet shows, acrobats and exhibitions of nearly 100 kinds of unique Chinese arts and crafts, making August 15-26 a "showcase of world folk arts," according to the organizer, the China Federation of Literary and Arts Circles.

This will be the first time for six of the participating countries—the Republic of Korea, Latvia, Argentina,

New Zealand, Romania and Germany—to attend this grand folk art event in China.

The remaining 10 countries represented are the United States, Canada, Mexico, Russia, France, Austria, Japan, India, Israel and China.

Li Tieying, a member of the Political Bureau of the Chinese Communist Party Central Committee and State Councillor, is the honorary chairman of the festival.

U.S. Secretary Comments on U.S.-DPRK Talks

*OW1208201794 Beijing XINHUA in English 1956
GMT 12 Aug 94*

[Text] Washington, August 12 (XINHUA)—Representatives of the United States and the Democratic People's Republic of Korea (DPRK) have made some progress on the nuclear issue during their third round of high-level talks in Geneva, Secretary of State Warren Christopher said here today.

"The parties have been seriously engaged and have made progress on some issues," Christopher told reporters before meeting with Ethiopian President Meles Zenawi at the State Department.

Assistant Secretary of State Robert Gallucci and the DPRK Vice Foreign Minister Kang Sok-chu have been meeting in Geneva for a week and will end the round of talks this afternoon.

"It's likely they will be taking a recess for a few weeks," Christopher said, "but they will be meeting again in September."

The secretary also described the talks between the U.S. and the DPRK in Geneva as "constructive".

President Clinton Urges Congress to Pass Crime Bill

*OW1608025594 Beijing XINHUA in English 0122
GMT 16 Aug 94*

[Text] Washington, August 15 (XINHUA)—President Clinton today urged Congress to take swift action and pass the 33-billion-dollar crime bill blocked by the House in a procedural vote last week.

Flanked by police officers and crime victims at a White House ceremony, Clinton accused lawmakers of walking away from victims of crime by voting 225-210 on a procedural motion to reject the bill.

"There's something wrong with the American system of government" when Congress shelves a crime bill, Clinton told police officers and relatives of murder victims attending the Rose Garden ceremony.

The crime bill would put 100,000 police officers on American streets, make more than 50 additional crimes subject to the death penalty and mandate life sentences for anyone convicted of a third violent felony.

The bill also bans 19 specific types of assault weapons and provides money for new prisons as well as crime prevention programs including dance classes and mid-night basketball games.

In blocking the legislation, House Republicans called the eight-billion-dollar crime prevention program within the bill "pork," "sausage" and "social welfare." But Democrats said the republican accusations were "non-sense" and that what the Republicans opposed was the assault weapon ban.

Republican lawmakers urged Clinton to compromise and work out a bipartisan bill, but the White House today rejected a meeting with the President asked for by Senate Republican Leader Bob Dole and House Republican Leader Newt Gingrich.

Clinton insisted that the assault weapon ban provision of the bill is non negotiable, but House Speaker Tom Foley has suggested that there could be compromises on the crime prevention programs provision. "If we have to pay the price to take out some good programs to satisfy the critics, I'm not opposed to doing that," Foley said.

The House, in recess today, is expected to meet again later this week to work on the bill if a compromise is reached or if the Democrats have mustered enough votes to pass it.

Cuban Officials Prevent Tanker From Leaving Port

*OW1608025794 Beijing XINHUA in English 0152
GMT 16 Aug 94*

[Text] Havana, August 15 (XINHUA)—Several hundred Cubans illegally boarded the Jussara Oil Tanker Sunday [14 August] afternoon, which was docked at the Mariel Port, 40 kilometers west of Havana, the Cuban Interior Ministry informed today.

The Cubans were to travel to the United States, said the ministry.

It has been informed that since July 13 there have been at least five cases of hijacking of ships by groups of Cubans who want to leave the island. Two Cuban military officers have been killed and several injured in these incidents.

Cuban authorities informed that special measures have been taken to prevent the oil tanker from leaving port.

This incident occurs just 24 hours after U.S. Secretary of State Warren Christopher announced that people who illegally leave Cuba will continue being received, the Interior Ministry said.

Cubans Begin Abandoning Ship

*OW1608051094 Beijing XINHUA in English 0243
GMT 16 Aug 94*

[Text] Havana, August 15 (XINHUA)—Half a dozen Cubans involved in the kidnapping of the "Jussara" tanker ship abandoned the boat, an official reported today.

The president of the Council of Municipal Defense of Mariel Port said that in the next few hours this figure will grow, since the purpose of the authorities is to prevent the departure of the ship.

The Cuban official, also first secretary of the party in Mariel, emphasized that there are legal ways to leave the country and he blamed the captain of the ship for facilitating the occupation of the ship.

The "Jussara" with a Greek crew and Malta flag was kidnapped yesterday afternoon in Mariel Port, 40 kilometers west of Havana, by some 500 Cubans.

According to Doctor Carlos Arencibia, director of Health Services in Havana, a three-year-old boy who fell into the sea and broke his skull during the attack is in hospital in Havana and his condition is stable.

Haiti Begins Restricting Entry by Reporters

OW1608032694 Beijing XINHUA in English 0210
GMT 16 Aug 94

[Text] Mexico City, August 15 (XINHUA)—The de facto government of Haiti has begun to restrict the entry of foreign journalists to the country, it is reported from Jimani in the Dominican Republic.

According to officials in Jimani, three British newsmen were prevented from entering Haiti on August 13, the first time the Haitian military authorities have prevented foreign reporters from entering the country since the ousting of the elected President Jean Bertrand Aristide in a military coup in 1991.

"We had already passed immigration, had obtained the seal of entrance and were on our way to Port-au-Prince when we were intercepted by a jeep driven by a soldier who stopped us," said one of the three journalists. He added that they had been told that because they had no special permit, they would have to go back.

The incident occurred after the United Nations on July 30 authorized a multinational force to invade Haiti "to re-establish democracy."

Argentina To Buy 30 'Skyhawk' Fighters From U.S.

OW1608050994 Beijing XINHUA in English 0107
GMT 16 Aug 94

[Text] Buenos Aires, August 15 (XINHUA)—The Argentine Government will sign contracts for the acquisition and tuning-up of 30 "A4M Skyhawk" [as received] jet fighters, to renew its air force combat planes stock, a defense official said Sunday [14 August].

Defense Secretary Jorge Baeza confirmed Sunday that the main problem holding the signing of the contracts, the radar which the planes are to be supplied with, was solved.

The crafts, built in the 1970's, but designed in the 1950's, will be tunned up in the United States and in the Province of Cordoba, according to earlier arrangements.

The Argentine Air Force had asked the jet fighters to be equipped with a last-generation radar used by the U.S. F-14 jet fighters. This was opposed by Britain, which said the planes could be used against its forces in the Falkland Islands (Malvinas Islands).

Baeza said the radars the planes will be equipped with are "very similar to the ones we asked for."

The defense secretary also said that after March of 1995 the United States will determine the kind of plane to be acquired by the Argentine Air Force as advanced trainer for its pilots.

Official Comments on Intellectual Property Rights System

OW1608053994 Beijing XINHUA in English 0418
GMT 16 Aug 94

[Text] Guangzhou, August 16 (XINHUA)—China has in recent years achieved much in trademark registration, with 110,000 applications filed last year.

It is learned that by the end of 1993, effective registered trademarks reached 410,000 in China, including 350,000 from at home, and nearly 60,000 from overseas. About 70 countries and regions have registered trademarks in China.

According to Liu Gushu, vice-chairman of the Board of China's Intellectual Property Society, the white paper on intellectual property protection published in June shows that China has completed a system of intellectual property rights, including patents, trade marks and copyrights.

Liu said that in the past decade, China has drafted and revised laws on patents and trade marks to conform to international norms in the fields.

During the past 10 years, China has joined several international organizations, such as the Paris Convention for the Protection of Industrial Property, the Berne Convention for the Protection of Literary and Artistic Works, the Madrid Agreement Concerning the International Registration of Trademarks, and the Universal Copyright Convention.

Shenyang Foreign-Funded Firms Accused of Forging Reports

OW1408133594 Beijing XINHUA in English 1327
GMT 14 Aug 94

[Text] Shenyang, August 14 (XINHUA)—Eight foreign-funded enterprises in this capital city of northeast China's Liaoning Province were accused here recently of counterfeiting capital assets reports.

This is the first case of its kind in China settled by China's court.

The Shenyang Certified Public Accountants Office sued the eight for damaging the name and reputation of the office. The eight allegedly forged capital assets reports of the accountants office.

The Shenyang Intermediate People's Court adjudicated according to law that the capital assets reports of the eight enterprises harmed the name and reputation of the office and caused certain economic losses.

The court ordered the eight to pay the office a total of 87,000 yuan (about 10,000 U.S. dollars), with an additional installment of 16,000 yuan in legal fees to be paid to the court.

Since March this year, counterfeit capital assets reports, which can enable counterfeiters to enjoy preferential policies, have been discovered from time to time by Shenyang customs. The companies involved attempted to use such reports to import duty-free cars and enjoy other preferential treatment.

Central Eurasia

Missile Targeting Agreement To Mark Jiang's Russia Visit

HK1508131894 Hong Kong LIEN HO PAO in Chinese
12 Aug 94 p 10

[By Chou Te-hui (0719 1795 1920): "Jiang Zemin To Sign Many Agreements During His Visit to Russia"]

[Text] Moscow, 11 Aug—Beijing and Russia have held consultations prior to PRC President Jiang Zemin's visit to Russia, which is scheduled for 2 to 6 September. The two sides agreed in principle that they would sign a series of agreements, including an "agreement on both sides not targeting nuclear missiles at each other" and an "agreement on the western border between China and Russia." The two sides will also arrange a summit meeting, which will be the second between Russian President Yeltsin and Jiang Zemin, who first met in December 1992.

What merits attention is that the Chinese side are making meticulous arrangements for Jiang's first visit to Russia as PRC president. It is likely that a trip by Jiang to Yeltsin's home town of (Sverdlovsk) will be arranged to show the friendly relationship between the two countries.

A high-ranking official from the Russian Foreign Ministry said today that the foreign ministries of the two countries have reached a consensus on Jiang's itinerary. During his visit to Russia between 2 and 6 September, Jiang will meet President Yeltsin, Prime Minister Viktor Chernomyrdin, Federation Chamber Chairman (Sumeike) and State Duma Chairman (Lypogin), deliver

a speech at the International Relations Institute, and visit various places in Russia.

Regarding the key issues of the Sino-Russian summit, the official said the two leaders would exchange views on expanding bilateral relations but refused to elaborate.

The official pointed out that, during his visit to Russia, Jiang could possibly sign many agreements with the Russian side, including an "agreement on both sides not targeting nuclear missiles at each other," an "agreement on the western border between China and Russia," and documents on expanding bilateral relations.

When asked whether a military cooperation agreement would be signed, the official said that military units of the two countries often exchange opinions on military matters, therefore, military cooperation between the two countries will not be discussed during Jiang's visit.

Northeast Asia

Official Urges Japan To Assess History 'More Truthfully'

OW1508145094 Tokyo KYODO in English 1408 GMT
15 Aug 94

[Text] Beijing, Aug. 15 KYODO—A senior Chinese Parliament official Monday [15 August] suggested Japan assess its wartime history more truthfully, Japanese officials said.

Zhu Liang, chairman of the Foreign Affairs Committee of the National People's Congress, made the suggestion in a meeting with Koichi Kato, chairman of the Liberal Democratic Party's Policy Affairs Research Council, the officials said.

Zhu's comments came on the heels of Sunday's resignation of Shin sakurai, director general of the environment agency, who late last week enraged China and other Asian neighbors by saying Japan did not intend to wage a "war of aggression" and that its actions had helped those countries.

Zhu was quoted as saying, "it is important Japan to make an overall assessment of its history now that Japan is going to celebrate the 50th anniversary of the end of World War II (next year)."

Kato replied Japan will consider what it can contribute to Asian countries, the officials said.

Meanwhile, Kato urged China to stop exporting weapons and put a halt to its nuclear tests.

"The Japanese people have a strong aversion to nuclear arms as the sole atomic-bombed country and I want you to sense the feelings of the Japanese," he was quoted as saying.

But Zhu was noncommittal on the request, merely saying nuclear tests in China are restrained compared with those of the United States, the officials said.

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Editorial Sees Signs of Militarism in Japan

HK1508152194 Hong Kong TA KUNG PAO in Chinese
15 Aug 94 p 2

[Editorial: "Remarks Uttered by Sakurai and His Like Have Yet To Be Eradicated"]

[Text] Yesterday, Shin Sakurai, director of the Environment Agency of the Japanese Government, was forced to resign because he distorted the historical fact that Japan launched the war of aggression. In a period of less than one year, Keisuke Nakanishi, director of the National Defense Agency in the Hosokawa cabinet, Shigeto Nagano, minister of justice in the Hata cabinet, and now Shin Sakurai, director of the Environment Agency in the Murayama cabinet, resigned one after another for uttering remarks distorting the historical fact of Japan's launching the war of aggression. This has made people think profoundly: Why have so many officials in the Japanese Government come out one after another to openly defend Japan's history of militarism? Would Sakurai be the last one to do this? Will any cabinet members utter similar remarks in the future?

Shigeto Nagano, minister of justice in the former Hata cabinet, was forced to resign because he denied the historical fact of the Nanjing Massacre last May, just three months ago. People in the Japanese political circles should have kept this in mind and should have learned a lesson from this event. However, shortly after becoming a cabinet member, Sakurai uttered similar remarks—and his were even worse. Sakurai not only said that "Japan did not intend to wage a war of aggression," but also even said that "the war enabled the Asian countries to win independence and also popularized education there." According to his logic, the Asian peoples who suffered the catastrophe of the Japanese aggression should feel grateful to the Japanese "Imperial Force" for its cruel oppression or should continue to look forward to the repetition of such "great favors."

Sakurai was strongly condemned both inside and outside Japan for his nonsense. The spokesman for the Chinese Foreign Ministry reiterated: Correctly approaching history is the important political foundation for Sino-Japanese relations. It is hoped that the Japanese Government will pay close attention to this issue and will prevent things that disrupt the normal development of Sino-Japanese friendly and cooperative relations. The spokesman said: "We express regret over the reoccurrence in such a short period of the incident in which a Japanese cabinet member openly made remarks that distort the historical facts."

Current Japanese Prime Minister Tomiichi Murayama, who is a leader of the Socialist Party, rapidly refuted Sakurai and apologized to China and other neighboring countries. In the coalition government, Sakurai is a member of the Liberal Democratic Party, so Murayama asked Yohei Kono, president of the Liberal Democratic

Party and deputy prime minister of the coalition government, to handle the case. Yesterday, Sakurai submitted his resignation to Kono and said that he did not want to "bring trouble" upon the cabinet. Kono, who is concurrently foreign minister, said that Sakurai's remarks were "improper" and then admitted that Japan's aggression and colonial rule "brought trouble" to the Asian countries. Here, he also used the phrase "bringing trouble." Could such events be closed just by resigning and admitting the so-called "trouble-making"?

Some analysts have pointed out that the Japanese cabinet members' repeated utterance of remarks distorting the history of aggression could not be considered just the accidental expression of indiscreet remarks and have asserted that these events were absolutely not a coincidence. They maintain that some people in the Japanese political circles are trying to cater to the ultra-right political forces in society by uttering remarks eulogizing militarism, and those who openly made these remarks were ready to resign before they did so. They were just playing the trick of inflicting a minor injury on themselves in order to curry favor with some people. The more the Japanese Government superficially yields to pressure from neighboring Asian countries and to the domestic public opinion favoring pacifism, the more the ultra-right forces can influence the younger generation of the Japanese people who lack a correct understanding of their history but are still full of self-confidence. This is, of course, a "conspiracy theory," and its correctness has yet to be further verified by facts. However, it is true that the ultra-right organizations in Japan have been continuously trying to reverse the verdict on Japan's history of aggression. Last time, after Nagano was forced to resign, some organizations held a rally in Tokyo to support Nagano and his like, and they clamored against Japan's "humble apologies." For a long time in the past, Japan did not give a correct outlook on history to the young people in the process of civil education. Many previous prime ministers adopted an ambiguous attitude toward this issue, and some even visited the Yasukuni Shrine, a place for commemorating the war criminals. All of this has made it impossible for Japan to thorough negate the war of aggression it launched in the past.

After Murayama became Japan's prime minister, some new factors were brought to Japanese politics. The Socialist Party led by Murayama was an opposition party for a long time and used to hold high the banner of peace. Due to changes in the political situation, the Socialist Party joined hands with the Liberal Democratic Party in forming a coalition government, and the Socialist Party took the office of prime minister for the first time. In order to jointly run the government with the Liberal Democratic Party, the Socialist Party compromised on issues such as sending the "Self-Defense Force" to overseas areas. So people have to wait and see how many concessions the Socialist Party will make on the principles it used to uphold and where exactly is its "bottom line."

The goal of safeguarding peace undoubtedly forms the mainstream in Japanese public opinion. However, at a time when Japan is trying to become a permanent member of the UN Security Council on the basis of its gigantic economic strength, the fact that its cabinet members continue to utter ridiculous remarks has made people worry that the spirit of militarism still refuses to leave Japan. Such remarks are certainly not conducive to Japan's efforts to play a greater role in international affairs.

Zhu Liang, LDP's Kato Discuss DPRK Nuclear Issue

OW1608124694 Tokyo NIHON KEIZAI SHIMBUN in Japanese 16 Aug 94 Morning Edition p 2

[By correspondent Masahiro Ishikawa]

[Text] Beijing, 15 Aug—Koichi Kato, chairman of the Policy Research Council of the ruling Liberal Democratic Party, met on 15 August with Zhu Liang, chairman of the Foreign Affairs Committee of the National People's Congress at the Great Hall of People. At the meeting, the two agreed that both Japan and China need to reevaluate their 50-year postwar history to build relations of trust between them. Raising the issue of the revisionist war remarks by former Environment Agency Director General Shin Sakurai, Zhu said: "What is important is that the Japanese should not forget the history of World War II and let future generations know about what occurred."

At the meeting, Kato raised the issue of North Korea's suspected development of nuclear weapons and then said, "We hope China will urge North Korea to work for good results at the U.S.-DPRK high-level talks in Geneva." In response, Zhu said: "China is working for a solution to the issue based on its basic policy of bring peace and prosperity to the Korean peninsula and keeping the peninsula nuclear-free. China will play a constructive role in resolving the issue."

Commentary Views Geneva Talks, Other Issues

HK1508150594 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 12 Aug 94 p 6

[By Shi Jia (2514 0163): "Weekly Commentary on Current Affairs"]

[Text] Initial Progress for DPRK-U.S. Dialogue

There were signs of progress at the third round of talks between the DPRK and the United States on 5 August in Geneva. Kang Sok-chu, DPRK deputy foreign minister, told reporters after the talks that in order to allay the international community's anxiety over the DPRK's nuclear program, the DPRK had proposed a package solution consisting of, among other things, freezing its graphite reactor development program. U.S. Assistant Secretary Gallucci also told reporters the talks had made progress but that many problems still had to be resolved.

Lobbied by the international community, the DPRK and the United States have both made concessions, creating conditions for resuming dialogue over the DPRK nuclear crisis, which has gone on for some time. Although numerous differences remain, dialogue is always better than confrontation, and as long as they persist in dialogue with a spirit of consultation, the possibility remains that differences will be gradually resolved and understanding achieved.

U.S. Secretary of State Unable To Break Deadlock between Israel and Syria U.S. Secretary of State Christopher canceled his visit to Damascus on 10th August after deciding to end his Middle East shuttle, his seventh as secretary of state, earlier than scheduled, reportedly because of his failure to narrow differences between Israel and Syria on the Middle East peace process.

Christopher's Middle East shuttle was carefully timed: The implementation of the Palestinian-Israeli self-rule accord has been smooth and follow-up talks between the two sides had begun; Jordan and Israel opened their borders on 8 August after signing the "Washington Declaration" on 26 July, which ended a state of war between the two countries; and Prime Minister Rabin made his first official visit to Jordan. The Middle East peace process has been moving basically according to the designs of Israel and the United States: Israel reaches individual peace agreements with each of the Arab parties concerned. To protect its privileges in the region, Syria has consistently opposed individual solutions in favor of a joint solution with all four Arab parties, and Damascus has strong reservations about both the Palestinian-Israeli accord and the Jordanian-Israeli declaration.

Christopher's present Middle East trip was obviously made with the intention of capitalizing on the breakthrough in Jordanian-Israeli relations to pressure Syria back to the negotiating table. But the Syrian media warned that "anyone who believes that Syria will follow the footsteps of another person is making a fatal mistake." Of course, Syria has not closed the door to peace talks, but it will be some time before peace talks between Syria and Israel can open again.

Bosnian Serb Leaders Face Choice

The Yugoslav coalition government bowed to a UN threat of harsher sanctions and announced the severance of all political and economic ties with the Bosnian Serbs on 4th August as punishment for their refusal to accept the latest five-nation peace proposal.

Beginning on the 5th, Yugoslavia closed its borders and cut telephone connections. On the 8th, the Yugoslav government ordered the closure of the Bosnian Serbs' office in Belgrade. Without doubt, such a move by Yugoslavia, which has long been the Bosnian Serbs' main source of financial and military support, is a heavy blow to the Bosnian Serb leaders.

Apart from this, also due to their refusal to accept the peace proposal, which evoked strong condemnations from the world at large, Russia has decided to freeze its ties with the Bosnian Serbs. On the 5th, NATO launched an air strike on Bosnian Serb positions to force them to give up the fighting and talk peace. The Bosnian Serb leaders, facing a difficult decision, have decided to hold a referendum on the 27th and the 28th. At present, it is still difficult to predict developments there.

Liu Shuqing Holds Talks With ROK Visitors

OW1608115694 Beijing XINHUA in English 1133
GMT 16 Aug 94

[Text] Beijing, August 16 (XINHUA)—Liu Shuqing, president of the Chinese People's Institute of Foreign Affairs, held talks with Choe Chong-ki, director of the International Issues Research Institute from the Republic of Korea (ROK), here this afternoon.

They exchanged views on international and regional issues of common concern.

Choi and his party arrived here at noon today as guests of the host institute.

Samsung To Build Electronics Center in Tianjin

OW1508125494 Beijing XINHUA in English 1247
GMT 15 Aug 94

[Text] Tianjin, August 15 (XINHUA)—The Samsung Group of the Republic of Korea has decided to build an electronics production center in Tianjin, according to an executive of the group's office in the city.

The executive said that over the next few years his group will spend nearly 100 million U.S. dollars building the center, which will manufacture camcorders, TV sets, stereo equipment, video-recorders and cameras.

These products will be marketed both in China and abroad, he said.

To date, the group has signed four co-operation contracts with local business partners, he added.

Under one contract, a joint venture has been launched by the group together with the Tianjin camera factory to turn out fully-automatic cameras.

Another joint venture has been set up by the group and the Tianjin Telecommunications and Broadcasting Company to turn out video-recorders and TV sets.

The two partners also jointly manufacture magnetic drums, electric motors and transformers to be used to assemble video-recorders.

Construction of the second venture, the Tianjin-Samsung Electronics Company, was completed in April 1993, at a total cost of 56 million U.S. dollars.

The venture is planning to manufacture 220,000 video-recorders this year, the executive said.

He said, "we are confident of opening up the Chinese market. So, we are going to increase the venture's annual production of video-recorders to two million units and to turn the venture into the largest video-recorder producer in China."

The reason Samsung has chosen Tianjin as its priority investment area is that the north China port city can provide enough skilled workers, he explained.

Southeast Asia & Pacific

Border Trade MOU Signed With Burma

OW1308073194 Beijing XINHUA in English 0714
GMT 13 Aug 94

[Text] Yangon, August 13 (XINHUA)—A memorandum of understanding between the Chinese Government and the Myanmar [Burma] Government on border trade was signed here today.

Chinese Deputy Minister of Foreign Trade and Economic Cooperation Li Guohua and Myanmar Deputy Minister for Trade U Aung Thaung, signed the MOU on behalf of their respective governments.

An agreement on border trade, signed by the import and export corporation of Yunnan Province of China and Myanmar import and export corporation in 1988, marked the beginning of the border trade between the two countries.

Since then, border trade has expanded rapidly on the base of the traditional exchange of commodities by the residents along the border between China and Myanmar.

Officials of the two countries believe that the signing of MOU between China and Myanmar on border trade will not only contribute to the development of the border trade between the two countries, but also to the strengthening of bilateral friendly relationship, trade and economic cooperation.

Vice Foreign Minister Meets Lao Deputy Prime Minister

OW1308165294 Beijing XINHUA in English 1638
GMT 13 Aug 94

[Text] Vientiane, August 13 (XINHUA)—Khamphoui Keoboulapha, deputy prime minister of the Lao People's Democratic Republic, met here Friday [12 August] with visiting Chinese Vice Foreign Minister Tang Jiaxuan.

During the meeting, the two sides exchanged the instrument of ratification on the Sino-Lao border agreement.

Khamphoui said his government will steadfastly adhere to its current foreign policy maintaining good relations with China. He also expressed the hope that the two countries will further their cooperation in the field of economy.

For his part, Tang spoke highly of the Sino-Lao relations, saying that both sides used only three years to have achieved a satisfactory solution to the existing border issue through friendly consultations.

Laos is bordered to the north by China's Yunnan Province and China established diplomatic relations in 1961.

Beijing Firm Holds 1st Overseas Auction in Singapore

OW1408163194 Beijing XINHUA in English 1553 GMT 14 Aug 94

[Text] Singapore, August 14 (XINHUA)—The Beijing Auction Market, a state-owned firm, conducted its first overseas auction, which was also China's first ever auctioneering abroad, here today with Chinese paintings and calligraphy, and cameras.

The auction, conducted in cooperation with the Taisei Gallery, a Singapore-based firm, featured 270 pieces of Chinese paintings and calligraphy, antique Rolleiflex and Leica cameras, lenses, and East Wind and Red Flag cameras, two brands made in China during the Cultural Revolution period between 1966 to 1976.

Chinese stamps were also offered at the auction.

"This is the first time we have come out of the gate of the country. It is the first time ever that an auction was held overseas by a Chinese auctioneering firm," Feng Jiabo, manager of the Beijing Auction Market told XINHUA.

"it took us about one year to prepare for this auction. It is not easy," he said.

He said at the opening of the auction that the market's international debut was made here in Singapore because of the close cultural and ancestral links between Singapore and China.

"Since this is the first time for us to go international, what we want to achieve is to explore the overseas market and to break new ground for our business," he said.

'Air China' Launches Beijing-Bangkok Route

OW1408055194 Beijing XINHUA in English 0512 GMT 14 Aug 94

[Text] Bangkok, August 14 (XINHUA)—The Beijing-based Air China launched its Beijing-Bangkok-Beijing regular service today.

The inaugural flight is scheduled to arrive in, and depart from Bangkok this afternoon.

Air China, which has a fleet of 63 aircraft, mostly Boeings, will be flying Boeing 767 between the two capitals on Sundays and Wednesdays.

Air China, which serves 57 routes in China and 33 routes overseas to major European, North American, Southeast Asian and African destinations, has maintained a 39-year safe-flying record.

Australian Livestock Joint Venture Established

OW1508162594 Beijing XINHUA in English 1607 GMT 15 Aug 94

[Text] Hohhot, August 15 (XINHUA)—A Sino-Australian joint venture engaged in the production of fine-breed sheep has been established in the Inner Mongolia Autonomous Region's Hexigten Banner.

The joint venture, the largest of its kind in China, is the Jingfeng Livestock Co. Ltd. located on the region's fertile grassland with close access to two major railway lines, the joint venture will introduce fine breeds and advanced facilities from Australia so as to improve the quality of Chinese sheep.

The joint venture, with an investment of 2.3 million U.S. dollars from the Australian side, occupies an area of 170,000 ha of natural grassland and another 30,000 ha of artificially cultivated grassland. The company is expected to boost its production capacity of stud stock to 20,000 head and that of other sheep to 60,000, producing 3.8 million U.S. dollars in annual output value.

The joint venture is now busy introducing a series of fine breeds from Australia. Initial experiments have proved that these fine breeds soon get accustomed to the conditions in Inner Mongolia.

Near East & South Asia

Government 'Deeply Shocked' Over Killings in Algiers

HK1608105494 Hong Kong AFP in English 0914 GMT 16 Aug 94

[Text] Beijing, Aug 16 (AFP)—The Chinese government on Tuesday [16 August] expressed outrage and dismay at the killing of two Chinese in Algiers on Monday and called on the Algerian authorities to protect its citizens. "We strongly condemn this brutal act of terrorism," a foreign ministry spokesman said by telephone. "We are deeply shocked and sad over the killings."

He added: "We hope that the Algerian government will settle this issue properly and take measures to guarantee the safety of the Chinese people in Algeria."

On Monday, two Chinese expatriate workers, an engineer and a technician, were shot dead in their car in the suburbs of Algiers by suspected Moslem fundamentalist militants. It was the first time that Chinese have been targeted by Moslem extremists in Algeria. The death brought the number of foreigners killed in Algeria over the past year to 59.

Government Donates Relief Goods to Afghan Refugees

OW1508081094 Beijing XINHUA in English 0746 GMT 15 Aug 94

[Text] Islamabad, August 15 (XINHUA)—China today donated 6,007 cartons of relief goods, worth 15 million rupees (500,000 U.S. dollars), to the Afghan refugees in Pakistan.

Charge d'affaires Ad Interim of the Chinese Embassy in Pakistan An Qiguang handed over the goods including blankets, shoes, slippers, clothes and sweaters to Pakistan Federal Minister of State for States and Frontier Regions Division Abdul Qayyum Khan at a ceremony here today.

An Qiguang said the Chinese Government and people will always, together with the international community, supply for the Afghan refugees as much humanitarian assistance as possible.

He took the opportunity to urge the concerned parties to eliminate their differences to resume peace and stability through peaceful negotiations in Afghanistan.

Federal Minister Khan expressed his gratitude to the Chinese Government for its valuable donations ever since the first batch of Afghan refugees came to Pakistan in 1979.

Trade With India To Touch New Heights

OW1208081394 Beijing XINHUA in English 0633
GMT 12 Aug 94

[Text] New Delhi, August 12 (XINHUA)—The trade investment and economic cooperation between China and India is poised to touch a new height, according to a high-powered Chinese delegation now on a visit to India.

Zhao Chunhui, head of the delegation drawn from private and government organizations, told a meeting organized by the Indian Federation of Chambers of Commerce and Industry Thursday [11 August] night that there is considerable scope for both the countries to forge and strengthen new trade, economic and collaborative efforts.

Zhao said their purpose of visit is to have a through awareness about the trade and economic and technology transfer potentials of India and the rules and regulations in the context of the deregulatory and reformatory liberalized measures having been taken recently by the Indian Government.

He expressed optimism that both countries could cooperate in setting up joint ventures in India and China as well as in third countries.

The two-way trade during 1993 has increased by 98.98 percent in India's favor compared to the trade volume in 1992 and the exports from India to China has increased from 180.99 million U.S. dollars in 1992 to 416.57 million U.S. dollars showing an increase of 169.9 percent.

India's imports from China increased from 158.44 million to 259.16 million U.S. dollars during the same period.

Political & Social

Li Tieying Visits Tibet's Xigaze Prefecture

Call for 'Greater Development'

OW1508152794 Lhasa Tibet Television Network in Mandarin 1200 GMT 14 Aug 94

[Station report from the "Regional News Hookup" program]

[Text] On 13 August, Comrade Li Tieying, state councillor and member of the CPC Central Committee Political Bureau, and his party were accorded a ceremonious and warm welcome by cadres and people of all nationalities from various circles when they visited Xigaze Prefecture in the company of National People's Congress Standing Committee Vice Chairman Pagbalha Geleg Namgyai, regional party committee Executive Vice Chairman and regional people's congress [RPC] Standing Committee Chairman Raidi, Regional Chairman Gyaincain Norbu, and regional party committee Deputy Secretary Danzim, to inspect and direct local work. [video shows Li Tieying, Raidi, and others arriving in Xigaze, being welcomed in a traditional Tibetan ceremony, being greeted by performers and people lining the streets, visiting a lamasary, and hearing reports and holding a discussion with local officials]

The ancient city of Xigaze was filled with a festive mood on that day. More than 10,000 cadres and workers, urban residents, peasants and herdsmen, Army officers and men, as well as middle and primary school children of various nationalities began lining both sides of the streets early in the morning, waiting to greet the arrival of Comrade Li Tieying and other central and regional leaders. When Comrade Li Tieying and others arrived at Xigaze City's East Bridge at 1100, RPC Standing Committee Vice Chairman Sengqen Lozong Gyaincain, vice chairman of the regional committee of the Chinese People's Political Consultative Conference [CPPCC] Qiazha Qiangbachilie, Xigaze Prefectural Party Committee Secretary (Sangzhub), prefectural administrative office Commissioner Caiwang Bandian, prefectural CPPCC committee Chairman Puqung, and Xigaze Military Subdistrict leaders stepped forward to greet and presented "hada" to them. The masses, dressed in traditional Tibetan costumes, respectfully presented Comrade Li Tieying and others with (?Qiema) and (Jingke) wine, while Young Pioneers presented flowers.

Escorted by a motorcycle squad, cars carrying Comrade Li Tieying and other leaders slowly drove toward the city center. Cadres and masses along the roadside continuously waved flowers and "hada" to give Comrade Li Tieying and his party a warm welcome and literary and art workers performed joyous dances, while Comrade Li Tieying waved again and again to the masses who welcomed him.

At Zhaxi Lhubo Lamasary, Comrade Li Tieying and his party were warmly welcome by some 800 lamas of the lamasary. Li Tieying and other leaders visited the (Qiangba) Buddhist hall and other major halls at the lamasary and paid their respects and presented "hada" to the image of the deceased Panchen Lama the 10th. After that, Comrade Li Tieying toured around Xigaze City by car.

At noon, Comrade Li Tieying heard a report on Xigaze Prefecture's work. (Sangzhub), Xigaze prefectural party committee secretary, briefed Comrade Li Tieying on the basic and work situations in Xigaze Prefecture and the basic thinking for development for the period ahead. Comrade Li Tieying fully affirmed Xigaze Prefecture's efforts in developing the economy, stabilizing the situation, and other aspects, and held that Xigaze Prefecture's development ideas for the period ahead are correct and in line with the guidelines of the third central work forum on Tibet.

Comrade Li Tieying emphatically pointed out: Agriculture and animal husbandry are Xigaze Prefecture's pillar industries; to bring about major development in agriculture, it is essential to take the path of integrating crop farming, livestock farming, and processing. You should deregulate and ease policies to encourage peasants and herdsmen to develop the processing industry and vigorously promote village and town enterprises. As Xigaze Prefecture has a very long border, it is necessary, in developing village and town enterprises, to target marketing at the needs of border trade and also vigorously introduce technology and qualified personnel from outside. In education, it is necessary to integrate general education with vocational and technical education, and vigorously develop vocational and technical education to better serve the masses of local peasants and herdsmen's drive to break away from poverty and attain prosperity. In changing enterprise operating mechanisms, it is necessary to vigorously popularize the contracting system and upgrade economic efficiency.

Comrade Li Tieying said: The guidelines of the Third Work Forum on Tibet called by the party Central Committee and the State Council are an outline document for guiding Tibet's development during the new period. As long as you earnestly carry on with your work in accordance with the guidelines and in a down-to-earth manner, the Xigaze prefectural economy surely will take on a new look and enjoy even greater development. In conclusion, he wished the 580,000 people of all nationalities in Xigaze Prefecture "tsachitele" [Tibetan greeting]. On the same day, Beijing artists accompanying Comrade Li Tieying to Xigaze put on a literary and art performance for the Xigaze cadres and people.

Tours Zhebang Temple

OW1608101494 Lhasa Tibet Television Network in Mandarin 1200 GMT 14 Aug 94

[Announcer-read report over video; from the "Regional News Hookup" program]

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[Text] Accompanied by Pagbalha Geleg Namgyai, vice chairman of the National People's Congress Standing Committee; Tibet People's Government Chairman Gyaincain Norbu; Tibet Deputy Party Secretary Danzim; and other leaders, Li Tieying, state councillor and member of the CPC Central Committee Political Bureau, and his party toured the Zhebang Temple on 14 August. (Yixi Tangdui), chairman of the (?Nationalities Affairs Committee) of Zhebang Temple, presented a hada to Li Tieying and his party, and temple lamas cordially welcomed their arrival with applause. [Video shows Li Tieying and his party walking toward the crowd, Yixi Tangdui presenting a hada to Li, and Li shaking hands with lamas]

Comrade Li Tieying toured every worshiping spot in the (Cuoqin) Hall of Zhebang Temple with great interest. As today is the annual (Lubang Lakang) Festival of the Zhebang Temple, many worshipers have come to the temple to pay religious homage. Comrade Li Tieying waved to the worshipers occasionally and talked to some of them in a friendly manner. Comrade Li Tieying then met some members of the temple (?Nationalities Affairs Committee). [Video shows Li Tieying and his party walking along a long crowded hall in the temple and shaking hands with lamas]

Representing all lamas of the Zhebang Temple, (Yixi Tangdui), chairman of the temple (?Nationalities Affairs Committee), expressed a warm welcome to, and heartfelt gratitude for Comrade Li Tieying's visit. In briefing on the basic conditions and management of the temple, he said: Thanks to the CPC and government's great concern for Zhebang Temple, living conditions have improved significantly. The lamas are very pleased with the CPC's policy on religious beliefs. Since the temple (?Nationalities Affairs Committee) began to educate lamas on patriotism, love of religion, and discipline and abiding by the law in 1992, violations of discipline and the law have not taken place. In addition, the appropriation of 500,000 yuan earmarked by the CPC and government, together with worshipers' donations, to make some necessary renovations has greatly satisfied the lamas, who are grateful for the concern of the CPC and government.

Comrade Li Tieying was pleased to hear this and said: The Zhebang Temple is a big one. I hope all lamas will carry forward the Banchan Lama's idea of loving the country, Tibet, and religion; continue to hold high the banner of patriotism; and act as a model of safeguarding the motherland's unification and strengthening national unity. He asked Chairman (Yixi Tangdui) to truly relay to all lamas in the temple the guidelines of the Third Forum on Tibet held by the central authorities, as well as his best wishes. [Video shows Li Tieying and Yixi Tangdui sitting together in a hall decorated with tapestries and conversing through an interpreter; Tibet leaders and Li's entourage are seen sitting at tables circling the hall]

Officials Hold Farewell Party

OW1608102894 Lhasa Tibet People's Radio Network in Mandarin 1400 GMT 15 Aug 94

[Text] The Tibet Autonomous Regional CPC Committee and People's Government held a farewell party in honor of Li Tieying and his party on the evening of 14 August. The farewell party was officiated by Gyaincain Norbu, deputy secretary of the regional party committee and chairman of the regional people's government. Li Tieying, state councillor and member of the CPC Central Committee Political Bureau, attended the party joyfully.

Addressing the party, Raidi, executive deputy secretary of the regional party committee and chairman of the regional people's congress standing committee, expressed heartfelt gratitude to Li Tieying and his entourage on behalf of the regional party committee, people's congress, people's government, committee of the Chinese People's Political Consultative Conference, Tibet Military District, and over 2.3 million people of various nationalities from various circles in Tibet. Raidi said: Entrusted by the CPC Central Committee and State Council, Comrade Li Tieying assumed the post of honorary head of the Leading Group for the Renovation of the Potala Palace. He showed great concern over the renovation project and has always kept his mind on it. He has not only convened meetings in Beijing every year to hear briefings on the work and to solve problems, but has also visited Tibet three times to inspect the renovation sites and give directions. He has done his best to complete the mission handed down by the CPC Central Committee and State Council. People of all nationalities and from various circles in Tibet are hereby extending their heartfelt gratitude and high respects for his work.

Raidi also showed his heartfelt gratitude to journalists, literary and art workers, and all staff engaged in the preparations for the ceremony, who spared no pains and worked hard in the course of the Potala Palace's renovation and during the ceremony on completion of the renovation. Raidi said: What should Tibet do to respond to the CPC Central Committee's concern over Tibet and the support of people around the country? In the face of this important question, Tibet's leaders at various levels and people of all nationalities have determined to lift their spirits, seize the opportunity, make concerted efforts, and wage hard struggles, as guided by Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. They will respond to the question with diligent work and wisdom, and set the minds of the CPC Central Committee and people of all fraternal provinces and autonomous regions at rest with actual deeds.

In conclusion, Raidi proposed a toast to the great cause for the equality, unity, mutual assistance, and common prosperity of all nationalities around the country as well as to the great unity of the Chinese nation.

Xu Zhijian, deputy secretary general of the State Council, said at the farewell party: We have smoothly

and satisfactorily accomplished our mission. During our stay in Tibet, we have experienced the warm welcome of the Tibetan people, learned a great deal of fine traditions and culture in Tibet, and seen that people of all nationalities in Tibet are in high spirits. He said: The successful ceremony on completion of the Potala Palace's renovation marks a good beginning for implementation of the guidelines of the Third Forum on Tibet. We hope Tibet will take a new and greater step forward on this basis.

The farewell party was full of harmony, unity, warmth, and jubilation from beginning to end. Literary and art workers from Beijing and Tibet performed at the party.

Li Leaves Lhasa 15 Aug

OW1608083594 Lhasa Tibet Television Network in Mandarin 1200 GMT 15 Aug 94

[Announcer-read report over video report by correspondents Ciren Duoqi (2945 0088 1122 0679), Mi Ma (4717 3854), and Yu Wenchao (0060 2429 2600), who are identified by on-screen captions; from the "Regional News Hookup" program]

[Text] After participating in a ceremony marking completion of the Potala Palace renovation project and satisfactorily concluding their inspection tour of Tibet to provide guidance for work in the region, a delegation of leaders of relevant departments of the central authorities led by Comrade Li Tieying, member of the CPC Central Committee Political Bureau and state councillor, left Tibet by a special plane on 15 August. [Video shows the Li Tieying-led delegation being seen off at the airport by Tibetan leaders in a traditional Tibetan ceremony]

Pagbalha Geleg Namgyai, vice chairman of the National People's Congress Standing Committee, together with Tibet's party, government, and military leaders Raidi, Gyaincain Norbu, Guo Jinlong, Basang, Danzim, Hu Yongzhu, Lieque, Gying Puncog Cedain, Laba Pingcuo, Luosang Toinzhub, Zhou Wenbi, and Zhang Zhu and comrades in charge of relevant departments saw the guests off at the airport.

Official Urges Youth To Adopt Deng Theory

OW1208161794 Beijing XINHUA in English 1500 GMT 12 Aug 94

[Text] Beijing, August 12 (XINHUA)—A senior Chinese propaganda official called Deng Xiaoping's theory on building socialism with Chinese characteristics "a spiritual pillar of the Chinese nation" and stressed instilling the theory in the younger generation.

Addressing a symposium on training young talents, deputy head of the Propaganda Department of the party Central Committee Zheng Bijian said that Deng Xiaoping's theory should take roots in the younger generation if China wants to achieve its modernization goal and gain a foothold in intense international competition.

Zheng said that at present and for a quite long time to come, all the ideological issues will come down to two: One is how to look at the general situation of China's development, the other is how to look at Marxism in modern China.

Deng's theory on building socialism with Chinese characteristics can help answer these questions, Zheng said.

He pointed out that if the theory cannot take root in the younger generation through classrooms and textbooks naturally and with convincing power, then the work of training young talents can hardly be called successful.

Civil Service System Progresses 'Steadily'

OW1408143694 Beijing XINHUA in English 1417 GMT 14 Aug 94

[Text] Beijing, August 14 (XINHUA)—The implementation of China's civil service system has been steadily progressing throughout the country as planned, sources from the Ministry of Personnel said.

China has introduced the new public service system to government functionaries in a bid to achieve high-efficiency, freedom from corruption and capability in their work.

The sources said that the civil service system is an important reform in the personnel system, as well as a significant part of the political system reform.

Since the "provisional regulations for state civil servants" was issued and carried out last August, leaders of all the provinces, autonomous regions, municipalities and ministries of the State Council have been paying major attention to its implementation.

The sources said that of the 58 State Council ministries and units designated to carry out the civil service system, 39 have drafted reform plans and begun to initiate it. The working style of the ministries which are operating under the new system has obviously improved.

The implementation of the civil service system is also being actively carried out in various localities. To date 21 provinces, autonomous regions and municipalities have drafted related plans. In some provinces the new system has already been widely introduced in government organs.

To ensure success in the reform, government organs at various levels have commonly organized training classes, in which some five million people have systematically studied materials concerning the civil service system.

Practices in various localities show that the gradual implementation of the civil service system has brought new energy and vitality to government organs.

Leaders of the Ministry of Personnel said that the implementation of the civil service system is a very complicated systematic project, and there is a long way to go for its overall implementation.

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Government Promotes Reform of Personnel System

OW1508125294 Beijing XINHUA Domestic Service in Chinese 2138 GMT 13 Aug 94

[By RENMIN RIBAO reporter Zhang Yan (1728 0917) and XINHUA reporter Liu Siyang (0491 1835 2254)]

[Text] Beijing, 14 Aug (XINHUA)—The government functionary system, aimed at ensuring a leaner force of government functionaries to honestly perform public affairs, is being promoted across the nation in a planned and step-by-step manner.

Promoting the government functionary system is important for reforming the political structure and represents a major reform of the personnel system. According to the Personnel Ministry, people in charge in most provinces, autonomous regions, municipalities, and relevant State Council departments have attached great attention to the promotion of this system and have personally been involved in planning the promotional work since the promulgation and enforcement of the "Interim Regulations Governing the State Functionaries" last August. Hunan Governor Chen Bangzhu, Hubei Governor Jia Zhijie, Civil Affairs Minister Doje Cering, Construction Minister Hou Jie, and others headed the leading groups for promoting the government functionary system in their provinces and ministries, adopted specific measures, and worked out plans to enforce the system.

This reporter has learned that of the 58 State Council departments and units under the scheme of promoting the government functionary system, 39 have completed formulating enforcement plans and have begun entering the enforcement stage. Twelve ministries and commissions, including the Civil Affairs, Construction, and Power Industry Ministries, reformed organs, determined organs' functions, fixed the number of the organs' staff, conscientiously engaged in job position classification work, scientifically and rationally arranged job positions, and strictly carried out the work on personnel transition and personnel diversion in line with the State Council's demands. As these ministries and commissions have taken their actual situation and the establishment of a sound working and clean administration system into consideration in their personnel transition work, their workstyle and building of a clean administration have been markedly improved and enhanced.

Work on promoting the government functionary system at the local-level has also been carried out in earnest. Currently, 21 provinces, autonomous regions, and municipalities have worked out enforcement plans for the system. Among the provinces and municipalities that have taken the lead in carrying out the organ reform, they have also comprehensively carried out the government functionary promotion system. Shaanxi's provincial-level organs have basically completed job position classification and personnel transition work. Some provinces and municipalities that have taken the lead in

carrying out organ reform at county-level organs have at the same time promoted the government functionary system first at county-level government organs. Areas that have yet to undertake organ reform have also begun to enforce the systems of personnel recruitment through examination, of personnel evaluation, of avoiding nepotism in personnel employment, of personnel exchange, and of personnel dismissal in line with local conditions.

To do a good job in promoting the government functionary system, training in the enforcement of the system has been widely provided to various levels of government organs across the nation; some 5 million people have systematically studied the government functionary system. Practice in many localities has shown that the gradual introduction of the government functionary system has injected new vitality into government organs and has enabled capable and talented people to display their talents. The gradual enforcement of the system has also spelled the end of a situation that has taken shape over the years in some areas and some departments where promotion is based only on seniority and of a situation where it is difficult to transfer a higher-ranked people to work at lower-rank positions. The system's enforcement also helps create an unprecedented fervor for pursuing further studies and a great enthusiasm for work among government functionaries.

A person in charge in the Personnel Ministry said that the promotion of the government functionary system is a complex project, that the comprehensive promotion work has just got started, and that the tasks are still rather arduous. He called on localities and departments to promote the system in a down-to-earth manner together with organ reform and in line with the unified arrangements worked out by the CPC Central Committee and the State Council.

CPC Holds 'National Ideology' Publicity Forums

OW1508155994 Beijing XINHUA in English 1516 GMT 15 Aug 94

[Text] Xiamen, August 15 (XINHUA)—The Propaganda Department of the Central Committee of the Communist Party of China (CPC) convoked national ideology propagation forums in Beijing and Xiamen in late July and this week, respectively.

Zheng Bijian, deputy head of the department, chaired the forums and made speeches. He said that the propagating of ideology should serve the task of arming the whole party with Deng Xiaoping's theory of constructing socialism with Chinese characteristics, and it should help people become better aware of China's general development situation at the present time.

They should have a scientific understanding of Marxism in modern China and further raise their consciousness by taking Deng Xiaoping's theory as the whole party's and the whole nation's spiritual anchor, according to the official.

During the forums, representatives analyzed the situation of the propagation of ideology since the 14th CPC National Congress in 1992. They also shared their experiences in theory propagation work, and studied how to reinforce and improve this work in the process of constructing a socialist market economy system. The representatives showed great enthusiasm for and confidence in propagating Deng Xiaoping's theory of constructing socialism with Chinese characteristics.

Zheng Bijian summed up the forums by saying that the main theme of present-day propagation of ideology focuses on Deng Xiaoping's theory of constructing socialism with Chinese characteristics; party committees at various levels have placed great importance on the work of guiding public opinion in the right direction; a number of ideology-propagation activities have been going very well; and the measures and styles of ideology propagation have been improved somewhat.

Zheng held that at present and for some time to come there will be favorable conditions for further promoting ideology. There are two reasons for this, he said: One is that a fairly good basis has been laid for the work, and the other is that, with the deepening of the state's opening and reform drive, the development of economic construction and spiritual civilization construction, as well as the reinforcement of party construction, ideological propagation work will have to develop on a broader and deeper level.

Zheng urged workers in this field to earnestly study Deng Xiaoping's works, and help all party members, cadres, youth and the general public to improve their political awareness through the study of ideology.

The participants at the forum were from the propaganda departments of local party committees of all China's provinces, autonomous regions and municipalities, as well as leaders of some central and local media units.

National Conference Discusses Discipline Inspection Work

HK1608062794 Beijing ZHONGGUO XINWEN SHE in Chinese 1419 GMT 12 Aug 94

[Report: "Person in Charge of Central Discipline Inspection Commission on Anticorruption"]

[Text] Changchun, 12 Aug (ZHONGGUO XINWEN SHE)—At the national discipline inspection, supervision, and legislation work meeting a few days ago, Xu Qing, deputy secretary of the Central Discipline Inspection Commission, pointed out: At present, the situation in building party style and clean administration, and in fighting corruption has placed new and pressing demands on discipline inspection, supervision, and legislation work. In the near future, it is necessary to study and formulate relevant policy limits and implementation measures in a timely manner, to form a set of preliminary codes and standards for building party style and clean administration which are in keeping with China's

national conditions, and to bring anticorruption work within the orbit of the legal system, in accordance with the requirements in gradually establishing and perfecting the socialist market economy structure and in the developing the anticorruption fight in depth.

Xu Qing stressed: Discipline inspection, supervision, and legislation work is a basic task involving the overall situation. Doing a good job in discipline inspection, supervision, and legislation work is of great significance in implementing the policy of strictly managing the party and carrying out administration according to the law; strengthening the building of party style, clean administration, and the socialist legal system; ensuring the implementation of the line, principles, and policies of the party and government; ensuring that discipline inspection and supervision organs fulfill their duties according to the law and that they raise the level of their work; and promoting clean and efficient work by departments in which discipline is being inspected and supervised.

Xu Qing pointed out: Focusing on the needs, new situations, and new problems in the anticorruption fight, it is necessary to grasp key points, and to study and formulate relevant laws and specific implementation measures in a timely manner. It is also necessary to grasp firmly the drafting of basic rules and regulations for discipline inspection, and the drafting of laws and regulations for supervision, such as the "Regulations on Discipline Inspection Work of the CPC," "The Administrative Supervision Law," and so on. It is necessary to have laws to observe, but it more necessary to strictly observe all laws, and to investigate and affix responsibility to those who have violated the law.

It has been learned that new progress has been made in legislation work since the CPC discipline inspection and state supervision organs combined their work in 1992. The Central Discipline Inspection Commission has formulated "Opinions on Implementation" of two "five-point regulations" on the honesty and self-discipline of leading cadres. The discipline inspection and supervision organs of various provinces, regions, and municipalities, as well as some departments of the central party and state organs, also have formulated detailed implementation rules in light of local realities and their own reality. Beijing, Shanghai, Hebei, Shaanxi, Jilin, and Shandong have placed disciplinary demands on party-member leading cadres and government public servants in a timely manner. The financial, public security, and railway departments, in light of the characteristics of their respective trade and system, have formulated disciplinary standards to keep their working personnel honest. Regarding the drafting and formulation of basic discipline inspection and supervision laws and regulations, the "Regulations on Case Inspection Work of Discipline Inspection Organs of the CPC" and its "Detailed Rules for Implementation," "Procedures for Supervision Organs for Confiscating, Pressing for the Handover, and Ordering To Return Money or Personal

Effects" have been promulgated and implemented, and the "Administrative Supervision Law" and "Procedures for Declaration of Financial Income" are being prepared and drafted.

The Central Discipline Inspection Commission and the Ministry of Supervision held the national discipline inspection, supervision, and legislation work meeting in the city of Jilin, in Jilin Province, 8-12 August. Attending the forum were 30 provinces, regions, and municipalities of the country, persons in charge of legislation work of discipline inspection and supervision organs of some ministries and commissions, and persons in charge of legislation work departments.

Conference Urges Efforts in Discipline Inspection Laws

OW1308223494 Beijing XINHUA Domestic Service in Chinese 0448 GMT 12 Aug 94

[Text] Changchun, 12 Aug (XINHUA)—The Central Commission for Discipline Inspection of the CPC Central Committee and the Ministry of Supervision held a national conference on formulating laws regarding party discipline inspection and administrative supervision in Jilin City, Jilin from 8-12 August.

Speaking at the conference, Xu Qing, deputy secretary of the CPC Central Commission for Discipline Inspection, pointed out: The current construction of party style and clean administration and anticorruption struggle set new, urgent demands for legislative work regarding discipline inspection and administrative supervision. In light of the gradually established and perfected socialist market economic structure and the deepened development of the anticorruption struggle, we must promptly study and formulate relevant policies and implementation rules, establish a series of norms and regulations, and incorporate the anticorruption struggle into the legal system in a short time.

Xu Qing pointed out emphatically: Formulating laws regarding discipline inspection and administrative supervision work is not only an important part of the party's discipline inspection and administrative supervisory work, but also an important part of party building and the socialist legal system. It is a comprehensive and fundamental task. Doing a good job in formulating laws regarding discipline inspection and administrative supervisory work is of great significance to carrying out the policy of strictly administering the party and government according to law; to strengthening the construction of party style, clean administration, and the socialist legal system; to ensuring the implementation of the party's and the state's basic lines, principles, and policies; to guaranteeing that the discipline inspection and supervision organs will take their responsibility according to law; to improving the quality of the discipline inspection and supervisory work; and to helping organ and personnel work develop honestly and efficiently under the supervision of discipline inspection and supervision organs.

Xu Qing pointed out: Centered around the anticorruption struggle and new situations and problems, we must promptly study and formulate relevant laws, regulations, policies, and concrete implementation rules. We must step up efforts to draft the "CPC Discipline Inspection Regulations," the "CPC Internal Supervision Regulations" and the "Administrative Supervision Law"—fundamental regulations regarding discipline inspection and supervision. We must strengthen supervision over and inspection of the implementation of the promulgated laws and regulations. We must formulate laws that we can depend on, perform our duty according to law, strictly enforce the law, and prosecute people who break the law. To achieve the aforementioned tasks, we need to quicken the pace of legislative work, intensify efforts to formulate laws, and take the following measures: Earnestly strengthen the leadership in formulating laws regarding party discipline inspection and administrative supervision work, establish sound legislation organs, improve the quality of personnel who formulate laws, conduct studies and investigations in an in-depth and comprehensive manner, enhance the theoretical study in policies and laws, uphold the principle of combining the efforts of the leadership and the rank and file, and follow the mass line.

The conference is the first national conference on formulating laws after the discipline inspection and supervision organs jointly performed their duty in 1992. Attending the conference are leading comrades and comrades in charge of legislation work regarding discipline inspection and supervision from 30 provinces, autonomous regions, municipalities, and some ministries of the State Council.

According to the briefing, since the discipline inspection and supervision organs jointly performed their duty, they have made new progress in legislation work. First, they integrated three tasks of the anticorruption struggle and studied and formulated relevant policies. The CPC Central Commission for Discipline Inspection formulated two "Opinions for the Implementation of 'Five Provisions'" which are aimed at promoting leading cadres' integrity and self-discipline. Discipline inspection organs of provinces, autonomous regions, municipalities, and some central state organs, proceeding from their local and actual conditions, also formulated rules for implementing the "Five Provisions." Beijing, Shanghai, Hebei, Shaanxi, Jilin, Shandong, and Fujian set disciplinary demands for party leading cadres and state functionaries. Taking their own special features into consideration, finance, public security, and railway departments formulated disciplinary norms to ensure the integrity of their personnel. Second, they scored some achievements in drafting and formulating fundamental laws and regulations regarding party discipline inspection and administrative supervision work. The "Regulations Governing the Examination of Cases by

CPC Discipline Inspection Organs" and the "Implementation Rules," and the "Procedures Concerning Confiscating, Recovering, and Ordering To Return and Compensate Funds or Articles by CPC Discipline Inspection Organs" have been promulgated and implemented. They are drafting the "Administrative Supervision Law" and the "Law on the Declaration of Personal Property and Income." In addition, deliberation of relevant laws and regulations is underway. Organs and personnel engaged in formulating laws and regulations have been strengthened.

State Rescinds Registration of ZHENGMING Magazine

HK1508135894 Beijing GUANGMING RIBAO in Chinese 27 Jul 94 p 1

[Report by reporter Wang Shaoxiong (3769 4801 7160): "The Registration of ZHENGMING Magazine Is Rescinded"]

[Text] The China Press and Publications Administration recently rescinded the registration of ZHENGMING magazine, which sold the publication rights for several of its issues in a disguised way and seriously violated the regulations on news and publications.

A social science theoretical journal, ZHENGMING is managed and run by the Jiangxi Province Social Science Federation and has a certain influence on the country's academic circles. At the end of last year, the magazine entered into a distribution agreement with a private book dealer in Hunan's Changsha City and let the dealer print and distribute issues 68, 69, 70 on its behalf. It was specified that the dealer would print the issues in a specified factory, calculate the printing fees, and collect money. The number of copies to be printed was not limited, and the cover was to be designed by the dealer, who would also solicit manuscripts. This behavior constituted selling the publication rights for these issues in a disguised way. The magazine also violated the following regulations: Major political topics must be submitted for approval; the headline must not be larger than the name of the magazine; the month and year of an issue must not be replaced by the total issue number; and a sample issue must be promptly delivered to the authorities after it has been printed. Based on these factors, the China Press and Publications Administration recently made a decision to rescind ZHENGMING's registration, confiscate the 21,000 yuan it made during the disguised sale of publication rights for the issues, and give the money to the province's revenue department. The Jiangxi Press and Publication Bureau has been instructed to take back the "periodical registration certification" from the magazine and deal with the individuals who should be held responsible.

Photographer Wins Suit Over Cultural Revolution Photos

HK1608071094 Hong Kong EASTERN EXPRESS in English 16 Aug 94 p 9

[By Bruce Gilley]

[Text] A Beijing photographer known for his politically sensitive pictures from the Cultural Revolution has won China's first copyright violation lawsuit involving photographs.

Li Zhensheng demanded 100,000 renminbi (about HK\$88,800) from the Jiangsu Literature and Art Publishing House for the unauthorized use of 17 of his Cultural Revolution photos in a lawsuit heard in April.

Judicial authorities of the Nanjing Intermediate People's Court are putting the finishing touches on a detailed decision in favour of Li, a court official said.

"Li has already been declared winner (of the lawsuit), but the details are still being worked out," an official of the civil trials section said.

"The formal decision will be handed down in September."

Li, who has pledged to donate the proceeds of the case to charity, believes the compensation he will receive will be kept deliberately low in an attempt by Beijing to devalue his works.

He says he will be lucky to get Rmb50,000.

"The government has a few precedents to use as reference, but I think they will treat my case differently," he said from Beijing.

"They don't want people to consider these photos so valuable. Many people have such photos stored in their own homes."

The Cultural Revolution, which threw China into confusion from 1966-76, was an attempt by Mao Zedong to reassert control over the party through the use of outside forces, including youths organized into ad hoc revolutionary groups known as the Red Guards, who committed many acts of violence and destruction.

The mass movements and public abuse of individuals—particularly intellectuals and party leaders—during this extraordinary period provide dramatic material for photographs.

One of Li's photos used by the Jiangsu publisher shows a mid-ranking Beijing cadre, Li Fanwu, getting half his head shaved (known as a yin-yang haircut) after being found guilty of siding with the so-called Black Clique, accused of being sympathetic to capitalism, led by Deng Xiaoping and Liu Shaoqi.

"After Deng Xiaoping was rehabilitated, the central government wholly rejected the Cultural Revolution," Li said. "Now they cannot prevent the publication and exhibition of these pictures."

"Of course they are not exactly thrilled with the media attention lavished on my case, but they can't stop it now," he said.

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Li, who has a stock of over 10,000 Cultural Revolution photos from his time as a New China News Agency (Xinhua) journalist beginning in 1963, said his works had been pirated by "dozens" of mainland publishers since the tumultuous 10-year period was declared open game in the government-controlled media.

"It is a period which shook all of China and which will never be repeated," he said. "Some of my photos are very valuable."

He said he chose the Jiangsu publisher because as a big state firm the case would attract more attention.

The publisher used his prints without permission in two books—*Oriental Chronicles* and *Ten Years in the Lives of 100 People*—both of which were into third print runs before distribution was halted earlier this year.

Li chose the compensation demand based on the Rmb17,000 awarded in an out-of-court settlement to a Sichuan peasant last year after one of his photos of the Leshan buddha was used without permission by the provincial tourism bureau.

"My case involves 17 photos from a time which cannot be captured again," Li said.

"In addition I am not a peasant, I'm a professional photographer."

Mainland media sources said the Nanjing court was likely to issue detailed instructions to the media on how to report the case when it handed down a decision.

These will include the demand that reports focus on the legal arguments of the plaintiff and the defendant, as well as the court procedures, but not on the subject matter itself.

Headquarters Reports Drought Worsening in 6 Provinces

OW1508082894 Beijing XINHUA in English 0813
GMT 15 Aug 94

[Text] Beijing, August 15 (XINHUA)—Drought has worsened in part of China, with the acreage of affected cropland rising to 16.2 million hectares from 11.33 million hectares in early August.

An official of the State Flood Control and Drought Relief Headquarters said that serious drought has struck the area from the eastern part of southwest China's Sichuan Province to the estuary of the Chang Jiang river in the east.

The acreage of drought-affected cropland exceeds 1.33 million hectares in six provinces each—Anhui, Jiangsu, Henan, Sichuan, Hubei and Shaanxi, he added.

Since August high temperatures and dry weather have affected the middle and lower reaches of the Chang Jiang river, the longest in China, as well as the area between the Chang Jiang and the Huaihe rivers.

Meanwhile, temperatures have stayed at above 35 degrees centigrade in the drought-affected area in south China and have even risen to 38 or 39 degrees, the official said.

Local governments and people have been urged to do their utmost to reduce drought-caused losses to the minimum.

RENMIN RIBAO Views Hebei Anti-Drought Service Stations

HK1508104194 Beijing RENMIN RIBAO in Chinese
28 Jul 94 p 2

["Touch Water and Turn It Into Gold" column by Cheng Chunrong (4453 2504 2837): "The Hebei Anti-Drought Service Stations Have Great Effectiveness as a Result of Reforming the Methods for Using Anti-Drought Funds"]

[Text] Each year, Hebei Province has to set aside more than half of its anti-drought funds as special funds and use them to build county-level anti-drought service stations and vigorously develop socialized anti-drought services, thus obtaining comparatively good results. In successive years of drought, the various service stations have, in keeping with the principle of "maintaining low profits and offering paid services," actively offered anti-drought and irrigation services, among others, thus making a comparatively great contribution to agricultural bumper harvests.

The establishment of Hebei's anti-drought service organizations has been proceeding in conjunction with the reform of the method of using its anti-drought funds. As a large agricultural province, Hebei is suffering a serious shortage of water resources. Each year, the central and provincial authorities have to allocate a considerable amount of funds to support Hebei in its fight against drought. Although this helps to some extent, there are still some problems, primarily those related to delays in the allocation of funds as they come down from the authorities through all the administrative layers and their scattered use and one-time consumption nature, which make it difficult to build up a long-term anti-drought capability. In order to reverse this passive stance, in August 1991, the provincial government decided to reform the methods of using the anti-drought funds and set up rural socialized service organizations, with counties taking the lead. Each year since then, the province has set aside more than half of its anti-drought funds as special funds to arrange for their use in a relatively concentrated manner and use them to set up anti-drought service organizations. As of June this year, the province had invested a total of 35.6 million yuan in building 151 anti-drought service stations. All cities, prefectures, and counties have also actively coordinated and fully supported the plan in terms of funds, personnel, and sites. At present, the anti-drought service stations throughout the province have approximately 8,900 pieces of anti-drought equipment of all types, over

3.8 million yuan in fixed assets, and over 2,100 station personnel, of whom nearly 400 come from government organs.

Judging from the establishment and activity of the anti-drought organizations over the years, since funds have been used in a relatively concentrated manner, a considerable amount of fixed assets has been formed, organizations have been set up, and a cadre of personnel has been established, thus endowing service stations with a flexible and highly-efficient service capability. Earlier this year, Zhangcehou village in Handan county had its transformers and wires stolen and could not draw water from its wells to irrigate the land. The resulting drought affected 1,200 mu of wheat fields and the village's cadres and people became extremely desperate. After learning about the situation, the county's service station immediately sent seven electricity generators and 17 water pumps to the village to help irrigate the wheat fields. The village's summer harvest ended up producing a yield of 300 kg for each mu. The Donghenancha Village in Qianxi county had 500 mu of hilly apple orchards. It had originally planned to build a pumping station, which would have entailed a total investment of 35,000 yuan. The service station sent a platform pump which watered all the orchards in 10 days and charged the village only 800 yuan. The village committee director said: "A pumping station could only be used two or three times a year. If we deposit the money that would otherwise have been used to build the pumping station in a bank, the interest it earns will be more than enough to pay for hiring the service station each year. With the anti-drought service station, we no longer need to build a pumping station." Since then, the village and the service station have signed a contract for long-term and regular irrigation services.

The service stations are sticking to the management principle of "primarily fighting drought and doing other jobs as a supplement." While improving anti-drought services, they are taking advantage of their equipment, technology, and personnel to actively offer various other services and make great efforts to increase their own economic returns to make up for the small profits—or even losses—resulting from the anti-drought services they offer and to cover daily expenses. Last year, by offering various other services, service stations across the province earned a total income of 13.94 million yuan, 1.8 times as much as the income earned from anti-drought services. The service station of Laishui county watered 46,000 mu of land and 13,000 fruit trees and charged a total of 24,000 yuan. There was not much left after deducting depreciation fees and some expenses. By doing other jobs and offering various other services, the station earned more than 600,000 yuan and had a total profit of 69,000 yuan.

Beidaihe Seminar Views Population Problems

HK1508132994 Beijing ZHONGGUO XINWEN SHE in English 1203 GMT 15 Aug 94

[Text] Beijing, 15 Aug (ZHONGGUO XINWEN SHE)—With a decline in birth rate, the pattern of

reproduction of population is now seeing some change in China. Official departments including the State Family Planning Commission have recently held an academic seminar in Beidaihe on new population problems resulting from a drop in birth rate and policy on them.

A research team submitted a dozen reports on consequences of a declined birth rate as well as for corresponding policy to the meeting which aroused great concern of participants. They were convinced that a reduction of birth rate was advantageous to coordinated development between population and the economy, society, environment and resources. It can help alleviate pressure on education and upgrade the quality of population. A declined birth rate is also beneficial to adjustment of the policy on migration of population and for the flowing of talented persons. It can help China create a modern population environment which would swiftly develop in the 21st century.

Participants, however, pointed out that problems resulting from a continuous decline in birth rate should not be neglected including the aging population and the population problem of the old aged. Other problems involve a shrinking size of family and problem of single child, the quantity of labour forces and the problem of migration, a negative growth in population in economically developed and undeveloped areas and reproduction health as well as woman problems.

Apart from a number of problems raised in the seminar, participants also put forward some proposals for settlement of the population problems.

Health Study Shows Increase in Heart Disease

HK1308061994 Beijing CHINA DAILY in English 12 Aug 94 p 3

[By Zhu Baoxia: "New Study Shows More Die of Heart Complaints"]

[Text] More than 80 million Chinese suffer from high blood pressure, while heart disease remains the number one killer, a shocking health study revealed yesterday.

Medical experts from Beijing's Fuwai Hospital surveyed 940,000 people over a four-year period.

The alarming results led to doctors' orders for immediate action before more people die of the killer diseases.

The number of people suffering from high blood pressure is 25 percent more than 10 years ago, the study revealed. And that makes up 11.26 percent of the total population.

Although the death rate for heart disease is fairly low compared to Western countries, 800,000 to one million people die from strokes every year, twice to five times higher than some developed countries.

And 1.2 to 1.5 million new stroke cases are reported each year.

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And 28 to 30 people out of 100,000 die from heart disease every year, a fraction of the number who die in some developed countries.

Doctors say the situation can be improved if the public foster healthy living habits, such as giving up smoking and drinking alcohol, eating a more balanced diet and taking plenty of physical exercise.

They advise health departments to conduct mass education and publicity campaigns to prevent people from getting the disease.

And experts warn that although the number of people who die of heart disease remains low, the factors that lead to such illness have increased in the past years. More and more people are taking up smoking and drinking alcohol.

And the number of patients with high blood pressure has increased rapidly in the past few years is sounding alarm bells, that more heart problems are on the way. [sentence as published]

In Beijing, only seven per cent of people suffered from blood pressure in 1959, but, by 1991, the figure had increased to 22.6 per cent. The number of patients surpassed two million.

More than 57 percent of men and five per cent women smoke and most of them take up the habit before the age of 24.

About 35 percent of men drink alcohol.

More and more people, especially children and teenagers suffer from obesity.

Many households, especially in the Northeastern and Northwestern districts, are used to eating salty food, which may result in high blood pressure and heart failure.

Center To Develop Technical Housing Construction

OW1208161694 Beijing XINHUA in English 1448
GMT 12 Aug 94

[Text] Beijing, August 12 (XINHUA)—A technical research center to help promote the use of new technology in urban and rural housing construction was founded here today.

Ye Rutang, vice-minister of construction, said that the establishment of the "State Housing and Living Environment Project Technical Research Center" and the start of the "Well-Off Type of Urban and Rural Housing Scientific and Technological Industrial Project in the Year 2000" signals that the construction of urban and rural housing has embarked on a technology-oriented road.

Ye said that China's housing construction should make use of more scientific and technological advances so that a new form of housing construction industry will come into being.

To achieve the aim of creating housing for more prosperous residents, China will have to build 165 million square meters of urban residences and 600 million square meters of rural residences each year in the coming few years, Ye said.

In the past 15 years, per capita urban living space rose from 3.6 square meters in 1978 to 7.5 square meters last year and per capita rural living space increased to 21.4 square meters.

Environment Official Urges Action on Pollution

HK1308054794 Hong Kong EASTERN EXPRESS in English 13 Aug 94 p 9

[By Elaine Chan]

[Text] Pollution is worsening in China's cities, and spreading to the countryside as a result of the expansion of rural township industries, China's National Environmental Protection Agency director said yesterday. Xie Zhenhua said results show that "very few" of the country's 500-plus cities have met the grade one national standard for air quality. "The (atmospheric) concentration of total suspended particles in some cities is more than a dozen times higher than the World Health Organisation standard," Xie said. "A few cities are even 'invisible' from satellites."

At the Green World Expo '94 in Hong Kong yesterday, Xie said China's environmental problems were mainly those of pollution and ecological destruction. "Eighty-six per cent of the rivers flowing through cities are seriously polluted, giving rise to evident riverside pollution belts."

Pollution in some important lakes, including Chaohu Lake and Dianchi Lake, has caused damage to urban water supplies. "In some rural areas, it is quite common for a small paper mill to pollute a whole river," Xie said. China generates 600 million tonnes of solid industrial waste every year. Accumulated waste now occupies more than 50,000 hectares of land.

About one-third of the country's farmland suffered from soil erosion, he said, and 100 million hectares of grassland has been degraded. The area of damaged grassland is expanding by more than 1 million hectares per year. "Off-shore pollution and overfishing are getting worse," Xie said, noting that there were 19 serious red tide (algae) cases in 1993. "Ecologically fragile areas in the northwestern region require urgent treatment," he said.

New or revised laws would be introduced in the next two years, covering the atmosphere, rivers, oceans, nuclear waste, township enterprises service industries, solid waste and noise pollution.

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Xie acknowledged that continued population growth on the mainland and attempts to accelerate economic growth has made it more difficult to deal with environmental problems. "A net annual growth of 15 million people means an enormous pressure in terms of demand for resources.

"In some regions and economic sectors, the pursuit of growth rate and output value has overshadowed the attention and concern that should be given to efficiency and quality.

"China once followed a wrong population policy. If it does not respond (to the environmental crisis) right now in a correct and forceful manner it may have to face the same consequences as caused by the excessive growth of population."

New regulations and guidelines include an "environmental protection target responsibility system" under which local government bodies are to be held accountable for protecting the environment from damage. The system stipulates that local governments must accomplish a certain number of environmental protection targets during their terms of office. At present, all city mayors of provinces were required to sign an environmental responsibility contract with the higher level of government.

Plans to expand China's environmental protection industry would form a key part of the country's green plans, he said. The industry's output value was only US\$1.13 billion [bn] (HK\$8.88bn) [Hong Kong dollars] last year, compared to US\$30bn for the whole of Asia. Xie admitted China was unlikely to meet its target of eliminating the production of chloro-fluorocarbons (CFCs) by the year 2000 because of a lack of money. "Achieving this will require US\$1.5bn in investment, but so far we have spent only US\$20m [million]," he said. "This is only one example of our funding problems in the environmental area."

Youth Group Donates 10 Million Yuan to 'Hope' Project

OW1508162694 Beijing XINHUA in English 1606
GMT 15 Aug 94

[Text] Beijing, August 15 (XINHUA)—The China Youth Development Foundation (CYDF) today sent ten million yuan to various parts of China to help dropouts resume their schooling under the auspices of the "Hope" project.

It is expected that more than 300,000 children in poverty-stricken regions will return to school with this aid.

So far this year the CYDF has allocated more than 20 million yuan to the "Hope" project, more than the total sum it donated in the previous four years, according to CYDF figures.

The project was first sponsored in 1989 by the Chinese Communist Youth League, in a bid to help children

nationwide who have dropped out of school for financial reasons to resume their studies.

Over the past four years the project has helped more than 540,000 dropouts to return to school, and the number of the students aided by the projects will reach more than 860,000 with the funds allocated this year to localities.

Science & Technology

Qinshan Nuclear Power Station 'Safe and Clean'

OW1308134994 Beijing XINHUA in English 1257
GMT 13 Aug 94

[Text] Beijing, August 13 (XINHUA)—A recent aerial survey showed again that the Qinshan nuclear power [station], the first designed and built by China itself, is "safe and clean."

According to the "CHINA NUCLEAR INDUSTRY NEWSPAPER," the survey covered 2,200 sq. km. over the station in coastal Zhejiang Province, east China, and 4,833 sq. km. over Shanghai about two hours' bus drive from the station.

The radioactivity in the atmosphere "was normal, and no increase was monitored in the atmosphere," the newspaper quoted a survey report as stating.

The 300,000 kw-Qinshan Nuclear Power Station was incorporated into the east China power grid in 1991, six years after its construction began in 1985. It went into commercial operation in April 1994.

The aerial survey was meant to find out whether the station caused any nuclear pollution in the atmosphere. Before that, the soil and air in the station area had been repeatedly examined and no radioactivity had been found.

The latest aerial survey again proved that the geological structure of the station site is "stable," the newspaper said.

Official Outlines Plans To Import Technology

HK1308065394 Beijing ZHONGGUO XINWEN SHE
in English 0433 GMT 13 Aug 94

[Text] Beijing, 13 Aug (ZHONGGUO XINWEN SHE)—China will bring in technology from abroad for use in 12 main sectors, according to the director of the Department of Foreign Economic Relations and Trade under the State Planning Commission.

—Energy and electricity: the coal-fired generating set of a capacity of 200,000 kilowatts will continue to be improved, while technology is exploited for generating sets of capacity of 300,000 and 600,000 kilowatts respectively. Technology for hydroelectric stations has to be brought in from overseas. Nuclear power equipment and its manufacturing technology have also to be introduced from abroad for establishment of several

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power stations. Technology for transmission facilities is further developed. Equipment for coal mining as well as for coal washing and dressing have to be exploited, while intensive processing of coal and special kind of fuel need further developing. Technology for tapping and transmission of petroleum and natural gas have to be exploited.

- Transport and communication: construction of railway line is sped up and technology for high speed and heavy duty train is exploited. Technology for new type diesel locomotive and for power-driven locomotive of great power is sought for. International airports and ports for water freight have to be built while loading and unloading facilities are under exploitation. Container transport and high power loading machine mainly for vessels are developed. Facilities for air and water traffic control as well as their manufacturing technology are drawn from overseas. On communication, emphasis is placed on projects and technology for microwave communication, optic-fiber communication, and satellite communication.
- Main raw and processed material: technology and equipment for smelting operation, casting and rolling mill have to be brought in. Automation technology and computerized management are exploited. Technology for the manufacturing of equipment for mining, washing and dressing of ore is improved. On petrochemical industry, advanced technology is introduced for the alkene project while manufacturing know-how for chemical fertilizer and pesticide is exploited.
- Electronics industry: technology for integrated circuit of extraordinarily big scale, computer and corresponding equipment, digital programme control switchboard, mobile communication equipment, facsimile machine, video tape recorder, camera and important component as well as spare parts are introduced from abroad.
- Machinery industry: machinery component and basic technology as well as heavy duty machine tools are brought in from abroad.
- Automobile: manufacturing technology and equipment are introduced from abroad for production of light-, medium- and heavy-sized vans as well as sedans. Technology for production of components and spare parts for these automobiles are also brought in. Technology and equipment are introduced for test and inspection on automobile research and design.
- Construction industry: new technology for exploitation of new type construction machinery and technology for new construction material are drawn from overseas.
- Textile industry: manufacturing technology for various kinds of looms is introduced from overseas in order to upgrade product quality and grade.

—Light industry, printing and packaging: advanced technology and equipment for food processing, paper making, printing and packaging is drawn in from overseas.

—Medical equipment and medicine: introduction of good species of bacteria, of new technology and of new equipment for development of new type antibiotic and biological products is necessary. New products and technology of high effects and low poison are properly used. Advanced technology is brought in to exploit new type medical equipment and device for operation.

—Scientific research: new device and equipment are brought in from overseas for scientific test. New high technology and technology as well as equipment required of enterprises have to be exploited.

—Environmental protection: advanced technology and equipment for environmental protection are introduced from abroad including those for dust and smog elimination, those for waste gas and waste residue and those for neutralization of waste water.

Research Into Manned Spaceflight Under Way

HK1208150194 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0750 GMT 11 Aug 94

["Special article" by reporter Si Liang (1835 5328):
"Only the East Wind Is Lacking in China's Manned
Spaceflight"]

[Text] Hong Kong, 27 Jul (ZHONGGUO TONGXUN SHE)—Not long ago, Zhang Tong, president of China Great Wall Industry Corporation, told the press when the Apstar-I satellite was launched at the Xichang Satellite Launching Center: China is entirely capable of launching a space station, but this has not been done because we are short of funds at present, and for the moment there is no such need. On the other hand, according to informed sources, experts grouped by the authorities concerned now are studying the timing of the development of manned spaceflight, and they await the final government policy decision.

It is reported that concerned departments in China have been systematically developing a spaceflight program with Chinese characteristics, with a view to leaping—in a short time—over the development course of manned spaceflight which advanced countries in the world have taken more than 30 years to complete. Now it is time to carry out various exercises. Today, an integrated astronautics industrial system has been established to develop and produce long-range carrier rockets, satellites, a spacecraft-retrieval system, remote-control equipment, and spacecraft.

According to the Program for China's Long- and Medium-Term Scientific and Technological Development, drawn up by the State Science and Technology Commission, China intends to complete, by the year 2000, research on experimental manned spacecraft and

their carrier rockets; on scientific applications of micro-gravity; on the system of launching and monitoring satellites; and on astromedical, astroengineering, and aerospace life support; as well as other complementary technologies. Unmanned spaceflights by experimental manned-type spacecraft will be carried out first, before any trial manned spaceflights are conducted, and every effort will be made to send Chinese cosmonauts into space by experimental manned spacecraft. In addition, China intends to set up, by the year 2020, an experimental space station with initial functions of operation, as well as an advanced transport system to and from Earth, which consists of a technology division, a spacecraft-launching division, a spacecraft-retrieving division, and a cosmonaut division.

As a matter of fact, China has launched many retrievable satellites, and has painstakingly accumulated experience in order to improve spacecraft-retrieval technology. China has launched 16 retrievable satellites so far, with only one retrieval failure. This success rate is quite high, and thus lays a very solid foundation for China's developing and launching manned spaceflights. Moreover, China has repeatedly launched synchronous satellites, with the orbit fixed at 35,700 kilometers, which share many similarities with the technology of spacecraft launches. The newly developed Changzheng-3A great-thrust carrier rocket has as many as 2.5 tonnes of carrying capacity, while synchronizing the earth's orbital motion. It can be launched into solar synchronous orbit, as well as moon orbit, thus paving the way for spacecraft launches. In addition, in conducting aerospace tests, China has successively sent into space white mice, fruit bats, and up to 100 varieties of cellular and seaweed-like organisms, and then retrieved them. In 1990, higher animals carried by a retrievable satellite flew to space for the first time, thus demonstrating the reliability of the life-support system installed in China's spacecraft, and paving the way for future manned spaceflights.

What merits attention is that more than 20 young people are receiving training and undergoing manned spaceflight trials at a cosmonaut training base in a certain place in China. According to the sources, new progress recently has been made in the study of controlled ecosystems and life-support technology, aimed at helping people realize "self-sufficiency" when staying in space for a long time, and it is quite certain to guarantee the safety of cosmonauts in spaceflight. Meanwhile, cosmonaut suits have been successfully made by China for a decade, and 70 to 80 space foods have been produced. According to a mainland scientist, China is basically capable of sending people to space and also intends to set up a space station, but since a huge amount of funds is required, these plans will not be carried out for the moment. That is: Everything is ready; only the East Wind is lacking.

Beijing Cooperates on International Space Projects

OW1608092994 Beijing XINHUA Domestic Service in Chinese 2101 GMT 13 Aug 94

[By reporter Yang Zhaobo (2799 0340 3134)]

[Text] Beijing, 14 Aug (XINHUA)—The Chinese Government departments attach importance to international cooperation in the field of space applications. In recent years, they have earnestly participated in cooperation with the international community's World Meteorological Organization, the International Earth and Biosphere Program, the International Space Year Campaign, the UN Marine Committee, and the International Ground Monitoring Satellite Committee.

According to a briefing by relevant departments of the State Science and Technology Commission, to promote international cooperation on space technology, China has earnestly organized a series of international activities and has launched a number of international cooperation projects. In recent years, China has convened the "International Space Year Earth Scientists and Technicians Committee Work Conference," the "China-EC International Seminar on Global Environmental Changes," the "Seminar on Multilateral Cooperation on Space Technology and Application in the Asia-Pacific Region," "the 21st Meeting of the International Static Meteorological Satellite Coordination Organization," and the "International Seminar on Microgravity," and so on.

In March 1993, China became a full member of the International Scientific Federation's Space Research Committee and set up the China Committee of the International Scientific Federation's Space Research Committee in August of the same year. Cooperation between China and Japan on remote sensor space applications has developed rapidly. They have utilized Japan's earth resource satellite data to conduct remote sensing observations, and have selected Boyang Lake in China's Jiangxi Province as the task's experiment area. While developing meteorological satellites, telecommunication satellites, ground observation satellites, and other applications in the space field, China has developed cooperation on remote sensor applications with Bangladesh, Sri Lanka, Malaysia, and other countries, and has achieved a complete success.

Regional Space Cooperation Meeting Held in Beijing

HK1308060694 Beijing CHINA DAILY in English 12 Aug 94 p 1

[By Gao Jinan: "Asia-Pacific Unites on Satellite Technology"]

[Text] More than 10 Asia-Pacific countries have, for the first time, agreed to cooperate in small satellite technology and satellite disaster control as their first projects under a space co-operation programme. The agreement is one of the main topics at the two-day meeting on establishing a regional space co-operation organization. The meeting opened in Beijing yesterday and ends today.

Wanting to see the organization formed quickly, high-level government delegations from Thailand, Pakistan, the Republic of Korea, China, Russia and Indonesia

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took part in the first session of the preparatory committee of Asia Pacific Space Co-operation Organization.

The China National Space Administration (CNSA) and Chinese Academy of Space Technology organized the meeting, attended by nearly 100 Chinese and foreign officials and space specialists. A CNSA official said the countries have agreed that small satellite technology and satellite disaster mitigation will be the major co-operation projects.

China is one of the countries advocating the establishment of such an organization. In 1992, China hosted a seminar on Asia-Pacific Space Technology and Applications in Beijing. Vice-Premier and Foreign Minister Qian Qichen attended the seminar and Jiang Zemin, General Secretary of Chinese Communist Party's Central Committee met participants, demonstrating China's support for space co-operation.

At the seminar, participating countries reached consensus on the principles, co-operation methods and prospects for regional space co-operation. According to the United Nations charter, regional co-operation organizations are encouraged for the common good. And participating countries hope the multinational organization will contribute to the economic development of the Asia-Pacific region.

The two-day session of the preparatory committee will hear detailed suggestions on the establishment of the organization. The secretariat office of the preparation committee is located in the CNSA in Beijing. Political stability, fast economic growth, brisk investment and trade in the region are favourable factors for the establishment of the organization, a CNSA official said.

The session marked an important step in the formation of the organization and participants believe the organization will make new contributions to social development and prosperity in the region.

Scientists Claim To Observe Six Scars on Jupiter

OW1408141794 Beijing XINHUA in English 1403 GMT 14 Aug 94

[Text] Nanjing, August 14 (XINHUA)—Chinese astronomers claimed today that they have observed six dark scars left on Jupiter after the comet Shoemaker-Levy G collided with the planet July 17.

The collision generated the equivalent force of 400,000 billion tons of TNT, or a power equal to 2.1 billion of the atomic bombs dropped on Hiroshima in Japan during the Second World War, according to the experts from Zijingshan (Purple Mountain) Astronomical Observatory of the Chinese Academy of Sciences.

The six scars were spotted yesterday by the astronomers among 180,000 pictures of Jupiter they took with a 60-cm reflecting telescope.

According to the experts from the observatory, three neighboring scars have formed a special strip-like region in the pattern of an "s", which is 10,000 km wide and 30,000 km long, an area equivalent to three earths positioned side by side.

A portion of the materials sent airborne in the collision area are now moving upwards through the atmosphere south of 44 degrees south latitude of Jupiter, the experts said.

Elements of ammonia and sulphur have also been detected in the collision areas through spectrum observation, experts added.

The first fragment of the No. 9 Shoemaker-Levy G comet crashed into Jupiter this July 17, followed by 21 collisions by other fragments over the next five and a half days.

Company Uses Israeli Software To Help Renovations

HK1208152794 Beijing ZHONGGUO XINWEN SHE in English 1119 GMT 12 Aug 94

[Text] Hong Kong, 12 Aug (ZHONGGUO XINWEN SHE)—A Hong Kong computer company lent support to China's enterprises for technological renovation and has achieved striking success. A number of technicians from professions such as machinery, aerospace, electronics and textiles gathered together here to attend lectures given by an Israeli expert on application of CIM 90 software.

The general manager of the CL Computers China Hong Kong Limited, Mr. Patrick Hui, said that the Israel-made software which had the Hong Kong company as its agent had been used in a dozen of industrial factories including the Chengdu Aircraft Plant, the Changhe Aircraft Plant, the Hangzhou Forklift Plant and the Handan Printing Machine Plant. Application of the software improved product quality and cut short the time required of the production. Utilization of the software technology in the Chengdu Aircraft Plant especially helped the Shanghai Volkswagen achieve internationally advanced level for some moulds used for car production.

Promotion of the software, according to Mr. Hui, was not only to introduce the internationally advanced item to China's enterprises and scientific research entities, but also to offer technological training and follow-up service with the aim of setting up their own effective automated design system in order to obtain the best economic results.

The Hong Kong company which started its business in China since 1985 set up a solely-funded company in Beijing last February to undertake exploitation, production and marketing of computer software as well as corresponding items while at the same time acting as an agent for main international computer companies.

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The solely-funded company saw an input of capital valued at US\$ 500,000 for the first stage, Mr. Hui said. He hoped and believed that the company's business in China would be centred on after-sale service and supply of software as well as its supplementary service.

Competition Among Software Operating Systems Viewed

OW1508114094 Tokyo KYODO in English 1019 GMT 15 Aug 94

["News Focus" by Rojert J. Saiget]

[Text] Beijing, Aug. 15 KYODO—More than 80 foreign and 120 domestic hardware and software manufacturers attended the China International Computer Exhibition (CompuChina '94) which ended Saturday [13 August] and are gearing up to capture the burgeoning Chinese computer market.

In 1994, more than 600,000 personal computers, 6,000 workstation networks and 500 mainframes are expected to be sold in China as government bureaus, enterprises and companies try to equip themselves with the latest in office management technology.

According to the CHINA BUSINESS TIMES, China's computer market was worth only about 3.1 billion dollars in both 1991 and 1992, but grew to 3.3 billion dollars in 1993 and is expected to be worth more than 8.3 billion dollars in 1994.

The paper said there are presently only some 1.5 million personal computers in China and just over 2,000 foreign-made small, medium and large mainframe computers.

Since the hardware market will likely be fought out along traditional lines, software companies are having to deal with a chaotic market which has yet to settle on a uniform Chinese character operating system.

Several systems currently exist, such as CCDOS, SPDOS, TIAN HUI and UCDOS, all of which are incompatible with each other and make choosing application systems difficult, said Zhou Dong, head of the software department at the mainland-based Hope Computer.

The situation is not so different from what happened in the U.S. between Apple computers and IBM-compatibles, since there are a half dozen popular Chinese operating systems now in China, Zhou said.

Hope computer has developed UC-DOS 3.1, the most widely used Chinese character operating system. Like other Chinese operating systems, it is based partly on DOS and contains a large Chinese character pool.

At present, Hope Computer is developing compatible Chinese character software with Western software companies who want to bring their applications into the

Chinese market. Hope has already made WordPerfect 5.2, D-Base, Lotus 1-2-3, Novell 3.11 and other applications available in Chinese.

"All a user has to do is load the English version of an application on top of UC-DOS 3.1, and the Chinese version appears," Zhou said.

Zhou said the Ministry of Electronics Industry is planning to standardize a Chinese operating system soon, but the problems of incompatibility may remain as software companies try to maintain the special functions of their applications.

WordPerfect, the popular software developed by the U.S.-based Novell Inc. has already made its WordPerfect 5.2 compatible with all major mainland Chinese operating systems and FoxBase, Lotus and D-Base are doing the same.

The problem, however, is that WordPerfect run by say UC-DOS 3.1 would not be compatible with a version run by SPDOS 6.0 or any other Chinese operating system, thus making it impossible to exchange files between users.

Meanwhile, Microsoft Corp., which introduced its own version of Chinese Windows (in contrast to its Taiwan Chinese Windows) into China four years ago, is now widely seen as the company to beat in China's software market, despite the government's promise to standardize existing Chinese operating systems in hopes of leveling the field.

"PC technology is becoming more and more localized in China, much of it coming from the influx of joint-ventures which have set up their own office networks," said Bob Lu, product marketing manager for Microsoft's Beijing office.

"We're hoping to introduce more and more of our applications to Chinese users," Lu said. That includes introducing the new MS-DOS 4.0, called Chicago, in China next June.

Microsoft, which opened up a representative office in Beijing in March, has been busy flooding the Chinese market with inexpensive help books and manuals on all Windows applications. The books are filling up shelf space in many of Beijing's computer shops and bookstores.

Meanwhile, Apple Computer, also at CompuChina '94, was gearing up to market its Chinese Macintosh System 7 and hopes to give the competition a run for its money.

"We feel our main competitors are Intel and Microsoft, the makers of both the architecture and the platform," said Jo Jo-cheung, marketing communications manager for Apple China. "We feel our systems are more user-friendly and now they are all IBM compatible."

For China, where up to five years ago almost everything written—including manuscripts, reports and accounts—

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was hustled back and forth between offices in handwritten drafts, the computer and the accompanying Chinese language technology will mean a truly quantum leap.

And since the foreign and domestic manufacturers are in position, the main thing that needs to be done is to put all that hardware and software in place.

China Progresses With Silver Catalyst Development

OW1208082194 Beijing XINHUA in English 0618 GMT 12 Aug 94

[Text] Beijing, August 12 (XINHUA)—China is making progress in using silver to speed up the chemical processing in its industrial production. The silver catalyst is a necessary agent in petrochemical production.

Since 1974 the Beijing Yanshan Petrochemical Corporation has been developing a variety of silver catalysts. One such product, called YS-5, was recently tested in its use with 200,000-tons of glycol production equipment in Nanjing's Yangzi Petrochemical Corporation, the world's largest petrochemical production facilities. The three-day test was successful.

Last year Yangzi agreed to purchase 72 tons of YS-5 from Yanshan.

Experts say that even though foreign countries started research on this catalyst process in the 1930s, China is already among the leaders in the development, production and application of this technology.

Synchrotron Radiation Laboratory Opens to Third World

OW1408143994 Beijing XINHUA in English 1418 GMT 14 Aug 94

[Text] Hefei, August 14 (XINHUA)—The China National Synchrotron Radiation Laboratory, attached to the Chinese University of Science and Technology here, was designated recently as a research center by the Academy of Sciences for the Third World.

Thus, the laboratory has become one of the world's research centers open to developing countries in this field.

Synchrotron radiation, a strong electromagnetic radiation by hard electrons in the direction of orbital tangent when moving in an annular accelerating machine at the speed of light, can be applied in physics, chemistry, biology, medical science and other fields.

The synchrotron radiation accelerating machine of the laboratory, the first and only one of its kind on China's mainland, was designed and produced by the Chinese University of Science and Technology and completed in 1989.

In April this year, the machine was made available to domestic researchers and served over 400 scientific research bodies engaged in over 120 projects.

In this past June, the laboratory applied for membership to the headquarters of the academy of sciences for the Third World in Italy.

After receiving approval from the academy recently, the laboratory, as a research center of the organization, will receive scientists from all over the world.

International Opto-Electronics Seminar Opens 15 Aug

OW1508163794 Beijing XINHUA in English 1608 GMT 15 Aug 94

[Text] Beijing, August 15 (XINHUA)—About 300 experts and scholars began discussions on the latest opto-electronic and laser techniques at a seminar which opened here today.

At the five-day meeting of the Second International Conference on Opto-Electronics and Optical Engineering, scientists from all over the world will discuss topics such as novel optical phenomena fundamentals, laser applications for information optics, holography information processing, the industrial and medical application of lasers and artificial intelligence applied to optical equipment.

The conference has been organized by the China Science and Technology Association, the International Society for Optical Engineering, the Japan Society of Applied Physics and the D.S. Rozhdestvensky Optical Society of Russia.

Architect Succeeds in Developing Plastic Concrete

OW1608045694 Beijing XINHUA in English 0312 GMT 16 Aug 94

[Text] Beijing, August 16 (XINHUA)—A Chinese architect has succeeded in developing a type of plastic concrete that can replace reinforced concrete in buildings, according to a report in the Beijing-based "SCIENCE AND TECHNOLOGY DAILY".

The report said that Lu Jianheng, whose origin and background are not identified, has won a patent for his invention from the China patent office.

His method has solved the major barrier to replacing reinforced concrete with plastic concrete, i.e., the different contraction rates of the plastic and concrete, the report said.

The patented plastic concrete has a higher intensity than reinforced concrete, and therefore can fully replace it in any building.

Half of the world's steel products are currently consumed by the building industry, the report said.

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Lu has also developed a technique for adding new floors to old buildings, the newspaper said.

Noted Scientists Call For Scientific Exchange Fund

OW1408140294 Beijing XINHUA in English 1351 GMT 14 Aug 94

[Text] Beijing, August 14 (XINHUA)—Fifty noted scientists in and out of China have called for the establishment of an international exchange fund to promote China's scientific and technological exchanges with the outside world.

Proposal for setting up the fund was first put forward by overseas scientists and supported by such Chinese organizations as the Chinese Academy of Sciences, State Natural Science Fund and China Science Foundation Research Society, with the purpose to raise funds from non-governmental sources.

The exchange fund is planned to accept donations by Chinese and overseas organizations, enterprises and individuals, according to sources.

The money collected would be used to support international joint research projects and academic exchanges, publicize scientific achievements by Chinese scientists and train Chinese scientists, as a way to promote China's scientific and technological advances and socioeconomic development.

Military

Military Adopts Open Bidding in Choosing Suppliers

OW1408021094 Beijing XINHUA in English 0142 GMT 14 Aug 94

[Text] Beijing, August 14 (XINHUA)—The Chinese military is conducting open bidding to purchase military supplies in a move to reform its procurement system.

The first open bidding was held recently to choose canned food suppliers.

The Yantai Tinned Food Company and the Yangzhou Tinned Food Manufacturing Company, after fierce competition, won the contracts to help feed the People's Liberation Army.

According to military officers, the open bidding saved the military 817,000 yuan (95,000 U.S. dollars).

Supplies of military stores in the past were monopolized by the military supply factories. Quality and delivery dates could not be secured.

Column Praises Emphasis on Talented Cadres

HK1508120494 Beijing JIEFANGJUN BAO in Chinese 25 Jul 94 pp 1, 2

["Red 1 Aug Army Flag" column by staff reporter Yang Yang (2799 2799): "Project Spanning This Century and

the Next—Report on the People's Liberation Army Reform of the System of Professional and Technical Cadres"]

[Text] Editor's note: "1 August" is celebrated every year, and soon "1 August" will be upon us. We have pursued a glorious career for 67 years through trials and hardships. As "1 August" Army Day approaches, we start this special column "Red 1 Aug Army Flag" as a bunch of flowers to mark the 67th anniversary of the Army Day!

Thanks to the correct leadership of the party's Central Committee and the Central Military Commission with Comrade Jiang Zemin at the core, our Army has been persistently guided by Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and his thinking of Army building in the new period, so that eye-catching achievements have been attained in the building of a revolutionary, modern, and regularized Army. The column "Red 1 Aug Army Flag" will serve as a "window" to display in a concentrated way the new look and achievements in the building of our Army to satisfy our readers. [end editor's note]

"My father was promoted to a senior post at the age of 55, but I was appointed as an associate professor at 35. My mother could not enjoy the privileges of a cadre at the divisional level until she was about to retire, but I obtained similar treatment before I was 40." The above remarks of Fan Ming, a research fellow with the Third Institute of the Academy of Military Medical Sciences, were made at the dinner table, but, through the comparison between the intellectuals of two generations, they reflected the great changes in the ranks of professionals and technical specialists in our Army over the past few years.

Starting From the Spring of Science

The establishment of a contingent of professionals and technical specialists that will span this century and the next depends on policy. The practice of classified management of professional and technical cadres since 1980 can be called a revolution in our Army's cadre management system.

It has been many years since we used the method of managing administrative cadres to manage professional and technical cadres. Take the management of nurses as an example. Most of them could only be promoted to cadres at the company or platoon level before their retirement. At that time, there were approximately 10,000 nurses in the Army, but only a few hundred of them could really enjoy the privileges of battalion-level cadres. Now that the decade of turmoil has ended and we are approaching a new century, the problem of talented personnel has become a task which brooks no delay.

At the National Science Conference held in March 1978, which was eulogized as one that greeted the arrival of the spring of science, Comrade Deng Xiaoping for the first time put forth the important thesis of "science and

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technology being productive forces." He said in all earnestness and sincerity: "We need a large number of the world's first-class scientists, engineers, and technical experts, and the training of this contingent is a solemn task before us." Later, Army policymaking departments formulated a series of policies that reflected in a comprehensive way the concern for material and political treatment of professional and technical cadres in respect of salaries, housing, transportation, and so on.

The PLA General Hospital constructed a building for professors, and the Academy of Military Medical Sciences also built quarters for cadres bearing a postdoctorate title and supplied them with communication facilities for international academic exchanges. The General Hospital of the Guangzhou Military Region built quarters specifically for postgraduates...More and more matters concerning the treatment of professional and technical cadres have been placed on the meeting tables of the Central Military Commission, the general departments, and the standing committees of party committees at all levels. Respect for knowledge and talent is gradually developing into a social custom and has become a practical action.

In 1980, when assessing the position rating of Zhu Guangya, a famous scientist in the Army, the relevant department proposed that he should be evaluated as Grade 2, but Comrade Deng Xiaoping changed it to Grade 1 when the proposal was sent to him for approval.

In 1988, the issue of placing several thousand technicians on the scientific and technological front was put on the agenda of the 24th meeting of the Sixth National People's Congress [NPC] Standing Committee, at which the proposal jointly made by 45 members regarding the proper placement of veteran technicians who had made contributions to national defense and scientific and technological fronts was adopted.

As stipulated in our Army's cadre policy, the number of years of service set for professional and technical cadres is a few years longer than that for military, political, and logistic cadres. The nonmilitary personnel at the professor level with remarkable performance can continue to work until 70 if necessary, and senior experts who have made outstanding contributions can even hold their position for life. Professional and technical cadres at Grades 1, 2, and 3 can enjoy treatment similar to or a bit higher than cadres at the Army level. There are nearly 100 experts in the entire Army whose salaries are equal to those of members of the Central Military Commission, and over 20,000 professional and technical cadres whose treatment is equal to that of cadres at the divisional level. These were beyond imagination in the past.

Today, professional and technical cadres have exceeded one half of the total number of cadres in the entire Army. Among them, there are 20 academicians from the Chinese Academy of Sciences and the Chinese Academy of Engineering Science, and 251 young and middle-aged experts who have made outstanding contributions to the

country. More than 5,000 people are enjoying special subsidies from the government, and cadres holding the position of senior professionals and technical specialists have increased substantially in number. Their average age has been lowered to 52.5, and professors and senior engineers under 45 have increased from a few dozen people in 1983 to over 3,000 today.

The Undertaking That Spans This Century and the Next Is Full of Vigor and Vitality

Early at the National Science Conference in 1978, Comrade Deng Xiaoping stressed that "it was necessary to break free from conventions to discover, select, and cultivate outstanding talent." Comrade Jiang Zemin repeatedly pointed out the necessity of bringing up more excellent scientific and technical personnel to meet the requirements of modernization and the development of high science and technology.

We are now in the crucial period of the turn of the centuries, so, if we say that our Army has to focus its attention on resolving problems left over from the cadre policy of the early eighties, then the founding of a new contingent of scientific and technical personnel to keep abreast of the new technological revolution and aim to reach advanced international standards is a task of top priority.

People will certainly remember the examination conducted in the PLA General Hospital in 1991. On 1 April, the first "examination to reply to questions in support of one's own opinion for an exceptional promotion to a senior professional and technical position" was conducted in the hospital's Science and Technology Hall. A total of 50 young medical scientific and technical personnel walked onto the platform to volubly and systematically answer a wide range of questions, from theory to clinical practice, from a specific discipline to multiple subjects, and from significant medical achievements to the morality and style of medical workers. This high-level contest has blazed a new path to enable talented individuals to display their abilities.

If we say that this approach of the PLA General Hospital was a tentative one, then, the Central Military Commission and the general departments have actually formulated a series of policies to promote talent without overemphasizing qualifications, which include the following:

- Rationally setting the proportions for cadres under 50 to be promoted to a senior position and for those under 35 to be promoted to an intermediate position, and practicing a minimum proportional method to control the promotion of young and middle-aged cadres.
- Making room for young and middle-aged cadres who have genuine ability and learning.
- Adopting the method of absorbing new cadres before the departure of veterans. As the promotion of some

excellent young and middle-aged cadres will not hold up the quota for the year, they will be able to take up leading academic and technical positions as quickly as possible.

—Selecting talented individuals without sticking to one pattern. Requirements for qualifications and foreign language standards of professional and technical cadres who work in remote border areas, outlying islands, and combat units below the divisional level, should be appropriately lowered.

—Promoting outstanding young professional and technical cadres ahead of time or by skipping their grades. Take, for example, Wang Guihai, who was originally an engineer with the Engineering College of the Second Artillery Corps. Last year, at the young age of 27, he was exceptionally promoted to the rank of senior engineer and his grade for technical personnel was adjusted to nine from 11 for having tackled the tough international problem of gears that are not perfectly round. Yang Yunzhong, who graduated from a secondary vocational school and later became a lecturer in the Jinan Army College, was exceptionally promoted to professor because his research on international political relations holds a leading position in China. Cao Xuetao, 28, a lecturer from the Second Military Medical University, was also promoted to professor for his research on interleukin, which was highly praised by people within the trade.

The general departments and various military regions also set up a scientific research and award fund for young and middle-aged professional cadres to encourage them to come out in the open. So far, the Army has broken the rules to promote 816 professional cadres to senior positions, and more than 10,000 cadres under 30 were promoted to engineers or lecturers between 1992 and 1993.

Qualified personnel have gradually formed the echelon in most scientific research units under the General Staff Headquarters, the General Logistic Department, and the Commission of Science, Technology, and Industry for National Defense, and the temporary shortage of talented personnel brought about by 10 years of turmoil is slowly improving.

Let the Channels for Introducing Talented Individuals Open Wide

Fan Ming, a research fellow with the Academy of Military Medical Sciences, returned to the motherland from abroad, leaving his wife and child in Belgium. He said with deep feeling: When I left the motherland, some people feared that I would not return, because my wife and child were residing abroad. But, leading cadres at various levels were busy running about to make joint guarantees for me, so how could I refuse to come back? Besides, I believe that, since I was allowed to go abroad once, why not a second and third time?

Wang Haitao, 43, a research fellow with the Academy of Military Medical Sciences, went to the United States in 1989 to engage in postdoctoral scientific research work and was later appointed a guest professor by the University of Kentucky. He said: "The United States is not my own homeland, in spite of all its advantages." In January this year, he turned down the highly paid appointment and returned home with his wife.

Guo Yajun, a visiting scholar at the Massachusetts Medical College of Harvard University from the Shanghai Second Military Medical College, made a major breakthrough in immunity therapy for liver cancer and was appointed professor in charge of a tumor immunity research center at Massachusetts General Hospital in 1991. He persisted in serving the motherland by setting up three cooperative bases for scientific research in China and returning regularly to participate in academic exchanges. Whenever he published a thesis, he would sign his name under the Shanghai Research Institute of the Second Military Medical University.

Among the 57 backbone technicians in the General Logistics Department, who have been taken in from various localities since 1985, over one-half of them are returned students. Some returned students working at the Academy of Military Medical Sciences told this reporter: "When one compares China to foreign countries in respect of food, clothing, housing, and transportation, one can always find advantages overseas. What has moved us most is that, whenever we meet with difficulties, the Academy always thinks of us first."

In fact, this bears the same meaning as Comrade Deng Xiaoping's remark in 1988: "It is very important to consider how we should create working conditions for them when they return."

In the important remarks he made during his south China tour in 1992, Comrade Deng Xiaoping hoped that all students studying abroad would return to the motherland and that proper arrangements would be made for them when they returned. This policy should not be changed. These remarks had strong repercussions among students abroad. A postgraduate from the Second Military Medical University, who was studying abroad, wrote a letter to his former instructor Professor Wu Mengchao to enquire about matters concerning his work when he returned. Professor Wu immediately wrote a letter to report the case to the General Logistics Department, which was transmitted to the General Political Department. Yu Yongbo, director of the General Political Department, made a written comment at once: To be presented to Vice Chairman Liu and Vice Chairman Zhang for perusal and instructions.

In line with the relevant instructions given by the leaders of the Central Military Commission, the three general departments printed and distributed the "Provisional Stipulations on Military Cadres Who Will Go Abroad for Study and Work," and conducted get-together activities for military personnel who have returned from

abroad after completing their studies. In the meantime, the General Political Department set up an office to handle affairs concerning the study of personnel of the entire Army in foreign countries, and issued a "circular on absorbing some excellent local returned students to work in Army units." The relevant units and departments also sent groups to extend greetings to personnel studying abroad, to propagate the party's policy regarding study in foreign countries, and to encourage them to show concern for, give support to, and participate in the modernization of the motherland through various kinds of activities.

According to statistics, among the returned personnel throughout the Army, 52 percent of them have taken up positions as senior professionals and technical specialists, and 10 percent have been promoted to leading posts at the regimental and divisional levels. Since 1982, more than 100 new subjects have been initiated under the charge or with the participation of returned personnel, of which quite a few are newly emerging or interdisciplinary subjects. After returning to the motherland, many of them have undertaken the state and Army's scientific and technological research projects during the Seventh and Eighth Five-Year Plan periods as well as Project "863" for high technology and state natural science funds. Technological achievements of our Army in the past few years were mostly attained through their painstaking efforts.

Perhaps we can say that these achievements have demonstrated the fruitful results of the Army's talent project in the past and have indicated its brilliant prospects for the future.

Article Views Strict Military Management

OW1308061094 Lhasa XIZANG RIBAO in Chinese 25 Jul 94 p 4

[Article by Yang Huilin (2799 6540 7792): "Deng Xiaoping's Thinking on Strict Military Management—a Guide for Military Construction During the New Period"]

[Text] In light of China's actual situation and the objective facts of our military construction, Comrade Deng Xiaoping put forward a whole series of new general policies, principles and methods for military construction, using the stand, viewpoints, and methods of Marxism. By so doing, he has, in theory as well as in practice, answered and addressed many key issues which our Armed Forces have encountered in their construction during the new period. Strict military management constitutes an important part of Comrade Deng Xiaoping's thinking concerning military construction during the new period. Today, using Comrade Deng Xiaoping's thinking on strict military management as a guide, we must energetically intensify military management during the new period, making sure that the Armed Forces maintain a high degree of stability and collective centralism, obey all orders and prohibitions, and are highly disciplined. Only then can the Armed Forces pass the

test of fighting subversion in a relatively peaceful environment and remain invincible and perform their duties more effectively in the event of a war in the future.

The Key Points of Comrade Deng Xiaoping's Thinking on Strict Military Management

The many points covered by Deng Xiaoping's thinking on strict military management deal with military construction in many areas.

Mental discipline is essential for strict military management. Mental discipline means giving top priority to political qualifications and educating the Armed Forces "to be loyal to the Party, the people, the state, and socialism" (p. 334, Volume 3, *Selected Works of Deng Xiaoping*). Of all the factors essential for military construction, the human factor is the most important one because all military projects must be accomplished by people. While all officers and men must have specific responsibilities to carry out, and they must all take part in strict military management, they are also subject to the control of higher authorities and supervision by the masses. In other words, they are also subject to strict discipline. Whether or not the military can be well managed rests essentially on how well people's initiative can be aroused. Although enormous changes have taken place in the military during the new period, the human factor has become even more conspicuous when it comes to strict military management. We can assert that the more modernized the military is, the more necessary it is to arouse and give play to the initiative of officers and men so that the effectiveness of weaponry can be maximized. This is an important way to guarantee the Armed Forces are combat ready and invincible.

Vigorous training is essential for strict military management. Vigorous training is an important part of Deng Xiaoping's thinking on strict military management. He maintains that vigorous training is a basic military requirement, and that, at a time when there is no war, training must be elevated to the strategic position so that the Armed Forces can become more proficient and combat worthy. Deng Xiaoping points out: "What can you count on when you test the officers, improve them, increase their proficiency, and make them more combat ready? You still have to start with education and training." (p. 111, *Selected Works*) He adds: "Soldiers should learn skills through painstaking training...if they do not, not only will they be unable to improve their skills, but they will also cause accidents." (p. 113, *Selected Works*) These important observations have profoundly manifested the law that vigorous training is essential for strict military management. Proficiency in military theory must be reinforced through training; a scientific military organization must be established and improved through training; good conduct and discipline must be cultivated through training; and outstanding military commanders and administrators knowledgeable in modern science can only be brought up through training. While strict military management has found expression in many

ways in military training, the lack of strict military training is also one of the many important causes leading to mismanagement in other areas of the military. The experiences gained by advanced units show that the more frequent and demanding training activities are, the closer the mental, psychological, and emotional ties between officers and men and between the higher authorities and lower-level units will be. All experienced administrators know that leadership is much more effective for troops which are more thoroughly and more vigorously trained. While vigorous training and strict demands are guiding principles for our Armed Forces in military training, they also are principles for strict and stronger military management. Regarding military training as the focus of work in the Armed Forces during the new period will greatly facilitate our efforts to improve management through training and incorporating management with training. We must organically merge the training, management, education, and maintenance of the military. We should, through vigorous training, gradually set norms for servicemen's conduct, train each and every soldier to be aware of the need to obey orders and prohibitions, and do away with the phenomena in which education and maintenance are incongruous, and in which training is out of line with management.

Strict enforcement of discipline is essential for strict military management. "The military cannot establish its reputation without strict discipline, and only when orders are strictly enforced can military discipline be ensured." "Strict enforcement of discipline is essential for military consolidation." (p. 134, *Selected Works*) In the life of the military, discipline is one of the essential elements that constitute the excellence of the Armed Forces. The Armed Forces can be truly combat worthy when they strictly observe disciplinary rules, obey all orders and prohibitions, and obey command in all actions; and they will not be combat worthy when their management, enforcement of disciplinary rules, and conduct are lax. Deng Xiaoping always upholds the need for strict military management. He has time and again solemnly pointed out: "The military must stress discipline. Lax discipline is impermissible." (p. 133, *Selected Works*) He adds: "Our Armed Forces always underscore the need to obey commands in all actions and voluntarily abide by revolutionary discipline. If we fail to do this, how can we be sure to triumph over a much stronger enemy and ensure our party's absolute leadership over the Armed Forces, be sure of the implementation of the party's lines and policies, and accelerate the revolutionization and modernization of the Armed Forces?" (p. 133, *Selected Works*) Strict enforcement of disciplinary rules should begin with dealing with problems, which have broad and significant harmful effects, by strictly enforcing disciplinary rules for political, organizational, military, personnel, financial, and economic affairs so that officers and men will become more conscious of

discipline and orders, and so that the Armed Forces will obey all orders and prohibitions in all actions under every circumstance.

Managing the military according to the law is essential for strict military management. Managing the military according to the law is one conspicuous feature of Deng Xiaoping's thinking on strict military management. Military rules and regulations are authoritative and solemn. They have a common binding power. The basic requirement for strict military management is to manage the troops strictly in accordance with all regulations and rules. We must make sure management is strict yet rational, and is based on established rules. Comrade Deng Xiaoping maintains that the military cannot be truly and strictly managed according to law unless education in law has been intensified, that the vast number of officers and men have become more conscious about rules and regulations, and that the concept of "ruling by people" is replaced by the concept of "ruling by law." He points out: "No matter whether or not they are party members, they must obey the laws of the country just the same." (p. 112, Volume 3, *Selected Works of Deng Xiaoping*) He adds: "Everybody must understand the law so that an increasing number of people will actively safeguard the law instead of breaking it." (p. 140, *Selected Works*) Thus, to strictly manage the military according to law, we must completely eliminate the irresponsible and erroneous attitude of drawing up "indigenous policies," and uproot the erroneous practice of doing things strictly in accordance with likes or dislikes of leaders so that, while basing strict military management on the law, we can use education in the legal system to define our respective responsibilities and the rules and regulations we should follow. While we must encourage officers to exercise leadership over the troops through the establishment of close ties with them, and to enlighten them with reason, we must also encourage officers to set personal examples for the soldiers; manage them according to law; firmly correct problems of being too soft, too casual, and too lenient in management; and be more aware of the need to strictly manage the military according to the law.

Strict Military Management Should Attend to Two Issues

Strictness is the most important element of strict military management. In what way should we be strict? I think we should attend to two key issues when we do our work:

We should be strict in conducting ideological education. To manage the military strictly, we should give first priority to education. Comrade Deng Xiaoping said: "Political and ideological education in the military should be strengthened...this issue should be attended to from the very first day conscripts enlist in the Armed Forces." (p. 153, *Selected Works*) Thus, we must regard ideological education as an important managerial measure. Along with the change in the situation, the ways and means of ideological management in the Armed

Forces have also changed. In light of the new features of ideological management under conditions of the market economy, we must, first of all, educate the Armed Forces and help them understand their duties and functions. Officers and men must clearly realize that the Armed Forces are the bulwark of the people's democratic dictatorship, the steel Great Wall safeguarding the motherland, and the major builders of socialism with Chinese characteristics. Second, we must attend to educating the Armed Forces on fine traditions. The most fundamental fine tradition of our Armed Forces is to "obey the Central Committee and the Party at all times" (p. 317, Volume 3, *Selected Works of Deng Xiaoping*) and follow the party's footsteps. This was what we did yesterday, what we are doing now, and what we will do tomorrow. We should regard the Lei Feng spirit as the "military soul," and, to make sure officers and men can pass the tests under all kinds of special circumstances, we must stop the spread of the money worship mentality, nihilism, and ultra individualism in the Armed Forces. Third, we must attend to educating the Armed Forces in fine traditions. We must clearly explain to the troops that modern high-technology wars have set even higher demands for military management, and that Deng Xiaoping's thinking about strict military management still is the general guideline for military management during the new period. We must make sure that officers and men become more aware of their duties and functions as well as the need to obey and to exercise self-restraint; that they have a strong concept of duty, function, organization, the value of dedication; and that they will correctly handle the relationship between strict management and patient persuasion, and the relationship between fostering positive factors and dealing with negative factors so that a strong ideological foundation for strict military management can be built. Fourth, we must attend to "education in ideals and discipline, and education in communist ideology and patriotism." (p. 145, Volume 3, *Selected Works of Deng Xiaoping*) We must educate officers and men about the need to carry forward the spirit displayed by those who have dedicated themselves for a long time in Tibet and Medog—a spirit peculiar to Tibet—and set their minds to performing their duties in the Armed Forces so that the border areas are safeguarded. Fifth, we must attend to educating the Armed Forces in rules and regulations as well as in law and discipline. Particularly when the life of garrison troops stationed in remote frontier areas is hard, the struggles against corrosion, infiltration, and splittism are extremely complex. This being the case, we must, along with seasonable changes and changes in the assignment of troops, extensively carry out at all levels such activities as discussion, study, emulation drives, and testing in a deep going and sustained manner, making sure that all soldiers know their responsibilities, study and apply rules and regulations, and become citizens who understand, abide by, and apply the law.

We must be strict on leading cadres. An ancient saying goes: "Before we can manage the military well, we must

manage the generals first," and "before being strict to others, we must first be strict with ourselves." As troop leaders and administrators, leading cadres must abide by the law while playing the role of law enforcer. Only by setting examples and playing the part of role model in every field can we truly manage the military strictly. Comrade Deng Xiaoping explicitly points out: "To manage the Armed Forces strictly, we must be strict to the leading bodies and senior cadres." (p. 138, *Selected Works*). He adds: "It is very important for leading cadres, especially senior leading cadres, to set personal examples. The masses always listen to the leading cadres and watch what they do. If a company commander or political instructor fails to set a personal example, the soldiers he leads cannot be good soldiers; and if leading cadres fail to set good examples, their troops will not conduct themselves properly and will not be combat worthy." (p. 270, *Selected Works*) He adds: "The personal example set by senior cadres is the key to the enforcement of an order. If senior cadres themselves follow orders, the troops are apt to follow suit; but if senior cadres fail to follow orders themselves, the orders will be short-lived and everything will return to its former state." (p. 270, *Selected Works*) Education through personal example works as a silent but most persuasive and inspiring mandate. Our forefathers said: "When we conduct ourselves properly, people will follow us without being ordered; but if we conduct ourselves improperly, people will not follow us even if ordered." The examples set by leading cadres serve as a mirror in the Armed Forces. Leading cadres must make sure they set an example in setting their minds to safeguarding border areas. They must cherish the soldiers and take part in military training themselves. They must take the initiative in carrying out orders and instructions and in following rules and regulations. They must take the initiative in obeying and maintaining disciplinary rules. This should become a good habit in the Armed Forces. They must take the initiative in promoting unity and cementing close ties between officers and men. They must take the initiative in waging arduous struggle and plain living so that their personal examples influence the troops they lead.

Deng Xiaoping's thinking of strict military management is a precious asset for military construction during the new period. As long as we earnestly implement this thinking we can "build the military into even better Armed Forces, and contribute even more to safeguarding our country's independence and sovereignty, our country's socialist cause, and the lines and general and specific policies drawn up by the Third Plenary Session of the 11th CPC Central Committee."

Economic & Agricultural

Qiao Shi Inspects Jiangxi, Comments on Reform Environment

OW1508135194 Beijing XINHUA in English 1340
GMT 15 Aug 94

[Text] Nanchang, August 15 (XINHUA)—The current international and domestic situations are favorable for

China's reform and opening up as well as the modernization drive, while Jiangxi Province is faced with an enhanced opportunity to accelerate its economic development, a senior Chinese leader said here today.

On an inspection tour of east China's Jiangxi Province during the past week, Qiao Shi, a member of the Standing Committee of the Political Bureau of the Communist Party of China (CPC) Central Committee and chairman of the Standing Committee of the Eighth National People's Congress, said China's opening up and development strategy along the Chang Jiang river and the construction of the Beijing-Kowloon trunk railway line will usher in a more promising future and greatly boost the economic development of Jiangxi.

Accompanied by Mao Zhiyong, secretary of the provincial CPC committee, and chairman of the Standing Committee of the provincial people's congress, and provincial governor Wu Guanzheng, Qiao said that if Jiangxi makes optimal use of the present favorable opportunity and its own advantages, the province can witness a more lively future for its socialist modernization.

A victim of this year's serious floods, Jiangxi is nevertheless expected to reap a bumper harvest. Qiao spoke highly of the efforts made by the province to give priority to agricultural development.

"As a large country with an enormous population, agriculture is the foundation of our national economy," Qiao said while calling for greater efforts to arouse and protect the enthusiasm of the farmers for agricultural production.

Qiao urged the provincial and local leaders to greatly promote the development of a diversified economy while ensuring the output of basic farm products. He also stressed the development of township industry as well as the construction of small towns so as to boost the rural economy.

While touring the large state-owned enterprises in Jingdezhen, a city renowned for its production of porcelain wares, Qiao urged localities to work hard to push ahead with the technological innovation of the large state-owned enterprises and gear them to the market so as to increase their competitiveness.

The traditional industries should also pay close attention to upgrading and innovation. While inheriting excellent achievements and precious experiences passed down from generation to generation, efforts must be made to bring forth new ideas and absorb advanced technology and craftsmanship from abroad, he emphasized.

Qiao also stressed the importance of socialist democracy and the construction of the legal system. He urged the local people's congresses to intensify investigation and supervision of the work of governments at various levels.

He said he was glad to see the steady economic growth and marked improvement in the local people's living standards at the Jinggang mountains, cradle of the communist revolution. "This is a result of China's reform and opening-up policy," he said while greeting the cadres and general public there.

Commerce Administration Charges Companies With Fraud

HK1308060494 Beijing CHINA DAILY in English 12 Aug 94 p 1

[By Ma Chenguang: "Axe Comes Down on Business Fraud"]

[Text] Seven companies have been charged with fraud for business activities that violate the country's Anti-Unfair Competition Law. The seven firms have all received administrative penalties, and officials are still investigating the damages caused by their illegal actions, according to the State Administration for Industry and Commerce (SAIC), China's top supervisor of market activities. Of the seven, two are in the southern province of Guangdong, one is in Jilin Province in the northeast and the rest are in the eastern provinces of Shandong, Jiangsu, Zhejiang and Fujian.

Meanwhile, SAIC Director Liu Minxue announced that his agency has established a Fair Transaction Bureau to fight unfair competition and other illegal economic activities.

In a case of product label piracy, companies in Fujian's Jinjiang and Guangdong's Foshan all imitated the packaging of "Ye Feng," a popular brand of mango juice from neighbouring Hainan Province. The Ke's Family Group Company in the Jinjiang village of Quetang was using sugar, tap water and industrial pigments instead of mango juice to imitate the canned drink.

Meanwhile, the Guangdong Nanhai Jibao Bakery and Soft Drink Plant and the Guangdong Nanhai Zhimei Bakery were selling the fake products at lower prices. So far, commerce and industry bureaus in the two cities ordered the three companies to stop production and sales immediately while investigations continue.

In another case of illegally using another plant's brand name, the Shandong Great Wall Foodstuffs Company in Jinan sold 31,428 bags of shoddy melon seeds bearing another plant's name, while packaging top-quality seeds under its own name, "Great Wall," in an attempt to discredit its competitor, the Yanshan Melon Seeds Plant. The company has been ordered to stop production, turn over its illegal profits and pay a fine.

In Jiangsu, the Nanjing Keli Industry and Trade Company was fined 80,000 yuan (\$9,300) for false advertising. In the fourth case, Meihokou Waterworks in Jilin Province, which forced residents and businesses to buy water-supply equipment by posing as an agent of the local government, was ordered to stop its illegal activities.

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and make a public apology. And in the last incident, the Cixi Machine Tools Plant in Zhejiang was ordered to stop pirating industrial secrets from a Ningbo City company and return the stolen blueprints and files.

These cases are just a handful of the 460 incidents of fraud across the country that the SAIC and its branches have unearthed in the first half of this year. Liu added the Fair Transaction Bureau will curb monopolies and unfair competition, investigate smuggling, examine activities that harm consumers' interests, supervise contracts and take administrative action on these illegal activities. Liu said the new agency will help the State ensure market efficiency and legality.

Law Enforcement Officers To Deal With Unfair Trade

OW1408055694 Beijing Central People's Radio
Network in Mandarin 1030 GMT 11 Aug 94

[From the "National Hookup" program]

[Text] The State Administration for Industry and Commerce held a news briefing today in which it reported on some new measures for helping industry and commerce administration organizations strengthen market administration, and on investigations into and the handling of various cases of unfair competition during the first six months of this year.

The new measures mainly include the establishment of a fair trade bureau, which is a special organ for investigating and dealing with illegal acts involving unfair market competition. The State Administration for Industry and Commerce asked industry and commerce administration bureaus in all provinces, autonomous regions, and municipalities to set up fair trade bureaus; prefectural and city industry and commerce administration bureaus to set up fair trade subbureaus; and county industry and commerce administration bureaus to create economic inspection teams. Beginning on 1 September, the relevant law enforcement officers, in investigating and dealing with illegal acts, will use new inspection documents known as fair trade inspection certificates. Law enforcement officers holding these certificates have the right to supervise and inspect all traders within the PRC in accordance with the law.

The person in charge of the State Administration for Industry and Commerce also reported on investigating and dealing with cases involving unfair competition in all localities. According to statistics compiled by 24 provinces, autonomous regions, and municipalities, 460 cases involving various forms of unfair competition had been investigated and dealt with by the end of June. Deceptive trading practices accounted for 86 percent of those cases.

The State Administration for Industry and Commerce also briefed the press on five typical cases. These included a business deal in which the Meihoukou City

Water Supply Company in Jilin Province took advantage of its monopolistic position to aggressively sell related equipment; a case in which the Cixi City Machine Tool Plant in Zhejiang Province violated commercial secrets; a case in which the family business run by the Ke family in Quetang village in Fujian's Jinjiang, the Jinbao Food and Beverages Factory in Guangdong's Nanhai, and the Zhimei Health Food Factory in Guangdong's Nanhai made unauthorized use of the unique packaging of the Yefeng brand of natural mango juice; a case in which Shandong's Changcheng Food Products Factory made unauthorized use of another enterprise's name to engage in unfair competition; and a case in which Nanjing's Kelike Industry and Commerce Corporation, Ltd. engaged in false advertising.

China General Chamber of Commerce Established

OW1508072594 Beijing XINHUA in English 0705
GMT 15 Aug 94

[Text] Beijing, August 15 (XINHUA)—The China General Chamber of Commerce (CGCC), a large intermediate organization made up of the state's chief commercial enterprises, was officially set up here today.

CGCC will bring businesses from different regions and different industries together, and will serve as a bridge between commercial enterprises and government.

The establishment of the organization is also aimed at helping to regulate business activities and transactions, help give state-owned commercial enterprises better access to business channels and to promote reform in China and trade to the outside world, said Zhang Haoru, minister of internal trade, at the opening ceremony.

The President of the CGCC Jiang Xi said members of the organization will work hard to develop business circles at home and abroad, develop the socialist market economy, actively participate in economic construction, enhance international and multi-regional cooperation, and to assist enterprises in acquiring foreign capital, advanced technologies and management skills.

Government To Continue Enterprise Bankruptcy Experiment

OW1608053794 Beijing XINHUA in English 0426
GMT 16 Aug 94

[Text] Beijing, August 16 (XINHUA)—China will continue to experiment with the bankruptcy process this year in efforts to extend the reform of enterprises and enhance a sense of social risk in the country's business sectors, the "ECONOMIC INFORMATION DAILY" [JINGJI CANKAO BAO] reported today.

At present, the country is provided with better conditions for the experiment.

According to the paper, the establishment of a modern enterprise system, as well as the corporate law have

provided a legal basis for protecting the property rights of enterprises. As well, the setting up of the social security system has paved the way for employees from bankrupt enterprises to survive and find a job.

In addition, banks are ready to raise the proportion of bad debts and the central government will allocate seven billion yuan to help failing enterprises through the bankruptcy process.

China has been experimenting with the practice of bankruptcy since December 1986 when its first law on bankruptcy came into existence.

National Body Set Up for Quality Registration

OW1508072694 Beijing XINHUA in English 0703 GMT 15 Aug 94

[Text] Beijing, August 15 (XINHUA)—The China National Accreditation Committee for Quality System Registration Bodies was set up here today, which will be responsible for implementing the national system for quality system registration bodies.

The national committee was jointly organized by 22 ministries and other government agencies, including the State Economic and Trade Commission, the Commission of Science, Technology and Industry for National Defense, the Ministry of Machine-Building Industry, the Ministry of Electronics Industry, the Ministry of Metallurgical Industry, Ministry of Chemical Industry and the State Bureau of Technical Supervision.

According to Wang Yiming, deputy-director of the State Bureau of Technical Supervision, the newly-founded national committee today issued certificates to 14 local quality system registration bodies in Shanghai, Beijing, Guangdong, Tianjin, Zhejiang, and Liaoning, which are entitled to register and audit quality systems adhering to international standards set by the International Organization for Standardization (ISO).

"With the enforcement of China's law on product quality and the establishment of a national body for quality system registration using international standards, Chinese enterprises will be able to market their products internationally through the recognition of Chinese quality registration bodies," Wang said.

Authentication System To Improve Product Quality

HK1508133394 Beijing ZHONGGUO XINWEN SHE in English 1143 GMT 15 Aug 94

[Text] Beijing, 15 Aug (ZHONGGUO XINWEN SHE)—Progress is being made in the authentication system for quality. China's enterprises will be able to move toward the international market through means of the authentication institutions.

There are to date 11 quality authentication institutions and three quality inspection and verification institutions

across the country given state certificates by the State Bureau of Technological Supervision. These authentication institutions are said to have issued quality authentication certificates to 44 domestic and foreign enterprises.

The director of the committee for state approved quality authentication institutions, Mr. Zhu Maoguang, was convinced that conferment of authentication certificates marked fair, authoritative and effective authentication work done by the committee. The state approved quality authentication system is now being carried out in a comprehensive way.

As the authentication certificate enjoyed prestige among domestic and foreign business entities, China's quality authentication system was highly valued at home and abroad. China will lend its support to establishment of an international recognition system and is ready to join this system.

Ministry Reports Labor Surplus To Continue

OW1608045894 Beijing XINHUA in English 0308 GMT 16 Aug 94

[Text] Beijing, August 16 (XINHUA)—The supply of laborers in China will continue to outstrip demand for a long time to come, said experts with the Ministry of Labor today.

The ministry predicts that by the year 2000, there will be 68 million people in cities and over 200 million in the rural areas waiting to be placed.

Over 30 million more workers have found jobs in cities during the past-ten years.

Despite the efforts of the government, a large number of people still cannot find jobs.

State owned enterprises have been over-stuffed with workers, and need to be streamlined. Therefore, there is not much room for them to hire additional labor force.

The unemployed will reach 5 million by the end of 1994.

In the cities at present, there is a floating population of 50-60 million who have come from rural areas. They are part of the surplus labor force in these areas.

The government hopes to have them placed in their local township enterprises.

Population Aging Faster Than Economic Growth

OW1608085394 Beijing XINHUA in English 0822 GMT 16 Aug 94

[Text] Beijing, August 16 (XINHUA)—China has the fastest-growing aging population in the world, said a report recently completed by the Beijing center of gerontology.

Research indicated that it will take only 21 years for the population over 65 to increase from 10 to 20 percent in

China, whereas the process took Sweden 85 years, The Netherlands and Germany 50 years and Japan 32 years.

The investigation noted that the aging of China's population is outstripping economic development, while the population in the developed world is aging at the same speed as the economic growth.

Statistics indicated that all the 57 countries with an aged population in the world all have a per capita gross national product (GNP) above 1000 U.S. dollars per year, and 21 of them enjoy a per capita GNP over 10,000 U.S. dollars, but China's average GNP will not reach 800 to 1000 U.S. dollars until the end of this century.

China has more old people than any other country in the world. It is estimated that by the year 2025 there will be 250 million aged persons in China, about 24 percent of the aged population around the globe.

The Beijing Center of Gerontology, a subsidiary of Xuanwu hospital, conducted the large-scaled investigation on issues concerning old people, with the financial help from the UN Population Foundation.

The research provided a scientific basis for Chinese Government to take policy decisions on the aged population, including how to deal with the influence of the aging population on the society, economy and culture, the increase in the non-working population as well as the snowballing of old-age pension and medical services.

New Development Trends for Township Enterprises

OW1208141194 Beijing XINHUA in English 1331 GMT 12 Aug 94

[Text] Beijing, August 12 (XINHUA)—With the establishment of the market economy in China, the development of township enterprises has shown some new trends, according to a "BEIJING ECONOMIC INFORMATION" report on Wednesday [10 August].

First, the share-holding system has been adopted as a main way to promote the transformation of management mechanisms for township enterprises.

By the end of last year, about 10 percent of China's township enterprises had carried out share-holding systems or share-holding cooperative systems.

The development of the share-holding system in township enterprises has also shown some new features: it is spreading from developed areas to the less-developed areas, from industries to agriculture and from simple fund-raising to the establishment of a complete system.

While developing the share-holding system, other means for improving the management mechanisms in township enterprises have also been carried out, such as the establishment of group companies headed by mainstay enterprises.

Second, in developed areas, such as in Shandong, Jiangsu, Zhejiang and other coastal provinces, township enterprises are developing towards high-tech, large-scale and export-oriented activities.

Wuxian County in Jiangsu Province, east China, has advanced township enterprises. The county alone has finished 1,055 technical upgrading projects, with an investment of 1.5 billion yuan. The county had 650 export enterprises last year, including 112 with an export value of over 10 million yuan.

Third, the backward regions have also been promoting the development of township enterprises through taking advantage of local resources.

Many resource-using, labor-intensive and agricultural product processing enterprises have been set up in the underdeveloped provinces.

Fourth, township enterprises are becoming more concentrated and the construction of small industrial zones for township enterprises has accelerated.

By establishing industrial zones, township enterprises have been moved together, which is good for further introduction of funds.

Center Set Up for Using Idle Productive Forces

HK1508133694 Beijing ZHONGGUO XINWEN SHE in English 1132 GMT 15 Aug 94

[Text] Beijing, 15 Aug (ZHONGGUO XINWEN SHE)—The Zhongqi Economic Information Exchange Centre was recently set up in Beijing which is an intermediary service organization for information on proper use of idle productive forces possessed by enterprises at home and abroad as well as on introduction of foreign investment items. The centre was co-founded by the Shenzhen Shibida International Investment Limited Company and the China Consultant Service Centre for Industrial and Commercial Enterprises.

The official in charge of the exchange centre, Mr. Xu Jingan, who was the former director of the Shenzhen Commission for Restructuring the Economy and the current chairman of the board of the investment company said that the unreasonable part of China's economic structure mainly lay in the fact that some enterprises urgently needed expansion of productive forces while at the same time some others in the same profession saw their productive forces idle. He termed it the very reason for low economic results and serious loss made by enterprises.

Establishment of the information exchange network, according to Mr. Xu, won support and approval from state leaders and from officials in charge of some departments concerned. He was convinced that the network would play an important role in adjustment of China's inventory assets structure as well as in reasonable allocation of resources because the network covers a wide area at home and abroad and is beneficial to cooperation

and exchange between two sides concerned in the use of idle productive forces and in introduction of foreign invested items.

The centre will create broker membership in various provinces, cities and counties across the country while at the same time set up agencies in Hong Kong, the United States and Europe with the aim of collecting information at home and abroad on unused productive forces, on expansion of productive forces in urgent needs as well as on introduction of foreign investment. It will publish extracts of these kinds of information on domestic and foreign newspapers and other journals. The centre will also provide brokers with information from both the demand as well as the supply sides in a bid to help them look for their potential partners. Enterprises, offices and information intermediary institutions, all of which are hunger for information on a long term basis, can apply for the information membership and then they can make request for information at any time from the centre.

Economic Commission Makes Enterprise Reform Proposals

HK1208150394 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1134 GMT 10 Aug 94

[Text] Beijing, 10 Aug (ZHONGGUO TONGXUN SHE)—The State Commission for Restructuring Economy recently proposed that to establish a modern enterprise system, innovations should be made in eight areas.

First, a sound corporate system for enterprises—On the basis of having properties clarified and assets audited, define the property rights for enterprises' legal persons.

Second, a new system for operating state-owned assets—According to the law, organs holding state-owned assets as the main source of investment, exercise the rights and interests of a person who contributes funds, and enjoy the rights and benefits of an owner, but do not exercise government functions.

Third, a sound system for organizing enterprises—Using the "Company Law" and other regulations on organizing enterprises, carry out reform of existing state enterprises, taking their different conditions into consideration.

Fourth, a new system to lead enterprises—Enable power organs, operation organs, and supervisory organs to separate from and restrain one another, so that they have clearly defined powers and duties, and perform their own functions.

Fifth, a workable accounting system for enterprises.

Sixth, a new internal management system centering on labor, personnel, and distribution—According to the principle of giving priority to efficiency and consideration to fairness, enterprises distribute wages and bonuses, and set up structures at their own discretion.

Seventh, a new relationship between enterprises and the government, scientific definition of the government's administrative function, and development of agencies.

Eighth, a grass-roots party work system that suits enterprises practicing the company system, and a system of democratic management by staff and workers.

Government To Reform Free Public Health Care System

HK1308063094 Beijing ZHONGGUO XINWEN SHE in English 1255 GMT 12 Aug 94

[Text] Beijing 12 Aug (ZHONGGUO XINWEN SHE)—According to the Ministry of Finance, China will greatly reform its free public health system to impose part of the medical fees on those people who receive free medical treatment.

At present, employees' labour insurance and medical fees are paid by enterprises' labour departments and only, a small portion of the medical fees are paid by employees themselves, so that expenses paid by enterprises for their employees' medical services increase by over 20 percent every year, or each employee's annual medical expenses reach RMB 300 [renminbi].

In view of the above-mentioned situation, China will reform its free medical services. The main content is as follows:

Individual account for medical service and an unified social medical insurance system will be set up, it means that one percent of employees' salary will be put into their medical accounts. Enterprises will also set aside 11 percent of the total of their employees' salary for medical services. Of these, 6 percent will be put into their employees' medical accounts and 5 percent into the social medical insurance. When someone is ill, he or she must pay the medical fee with money taken from their own medical accounts. If money from their medical accounts is not enough, the enterprise-owned hospital or clinic will cover the rest of it which, however, must not exceed five percent of the enterprise's total employee's salary. If it is still not enough, the social medical insurance institution will be called in to help.

It is reported that the scheme for reforming the free medical services has been worked out and will be implemented at a trial base in several selected cities in the country.

Reform Increases 'Ordinary' Home Construction

HK1308062094 Beijing CHINA DAILY in English 12 Aug 94 p 4

[By Fu Jian: "More Living Space for Chinese, Thanks to Reform"]

[Text] A record number of homes were built for Chinese residents last year, and the government will continue to

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encourage the construction of ordinary houses, according to the Ministry of Construction.

Statistics show that 162.9 billion yuan (\$18.7 billion) was invested in building new houses last year, 4.2 per cent more than the year before.

And a record-breaking 205 million square metres of housing were constructed last year, 15 per cent more than the previous year.

With more new houses, the per capita living space for city dwellers has gone up to 7.5 square metres. In the rural areas, the figure is 21.4 square metres.

Such progress was the result of the central government's efforts on promoting house construction, said Liang Xiaoqing, chief of the Housing Development Division at the Ministry of Construction.

The central government has been urging local authorities to pay close attention to the residents' increasing housing needs, Liang said, and last year it adopted strong measures to curb luxury house construction while encouraging construction of houses for ordinary folk.

Luxury houses, such as villas and better designed apartments, were mushrooming as the demand for them rose. They could cost about \$1,000 per square metre, about 10 times that for ordinary apartments.

Lured by the big profits, real estate developers concentrated on these luxury homes. Some units even diverted their government-allocated funds to cash in on these residences.

In fact, the money would have been better invested in building ordinary, cheaper apartments for Chinese city folk who need affordable housing, said Liang.

But it would take time for the market to correct itself. So the government had to step in to make some changes.

From June last year, the ministry took measures to rein in the real estate sector.

Enterprises and units were given a fixed period to recover their money which had been diverted to build luxury homes. Local governments were asked to repair dilapidated properties and sell cheap apartments to people who lack shelter.

The efforts are bearing fruit. More ordinary apartments were built in the second half of last year than ever before, making the annual figure the best in history, Liang said.

In addition, the reform on house investment and market system is also progressing, as proved by the ministry's statistics. Data showed that last year more money was poured into building commodity houses—houses that are sold while not allocated.

Economic reform has made it possible for houses to be sold as a commodity. Before the reform was started in 1979, apartment construction had been financed by

governments and enterprises, and houses were allocated by them to their employees, who then paid very low rent.

Now apartment rents have increased several times and people have been encouraged to buy their own houses.

Last year, investment in commodity houses topped 89 billion yuan (\$10.2 billion), over 50 per cent of the total construction budget.

Now 72.5 million square metres are filled with new commodity houses, 35 percent of the total homes that have been constructed.

Last year various sources of investment were properly organized by the central government to promote house construction, said Liang.

Besides government funds, which were used mainly to research and develop new house designs and construction materials, enterprises and individuals were the main investors for house construction.

Sales income of commodity houses and foreign investments and loans were also used.

Prices of houses have mainly been determined by the market. Only those houses that have been invested in or subsidized by governments are sold at lower prices.

And the government will involve itself less and less in the price of homes as the housing market develops, Liang said.

The construction of ordinary houses will still continue to be encouraged, she said.

The population of the towns and cities grows by nearly 5 per cent a year, generating a never-ending demand for housing.

The Ministry of Construction is more likely to give approval to planners wishing to build ordinary homes than to those wishing to add to the cities' already surplus supply of luxury apartments.

Automobiles Reportedly Now 'Most Coveted' Consumer Item

OW1608085294 Beijing XINHUA in English 0818 GMT 16 Aug 94

[Text] Wuhan, August 16 (XINHUA)—It used to be sewing machines, then TV sets, and now air-conditioners. But it seems the car is about to top the list of the most coveted consumer item for China's well-to-do families.

Experts predicted that by the end of this century, five million Chinese families will have annual incomes between 30,000 and 50,000 yuan (3,500 and 5,700 U.S. dollars). If one out of ten such families buy a car, that will mean an addition of 500,000 privately owned cars to China's streets.

The desired consumer products in the 1970's were bikes, wrist watches, sewing machines. In the 1980s, it was color TV sets, refrigerates and stereo system. Now air-conditioners, telephones and video-recorders are coveted by enthusiastic consumers.

Cars are next, say some experts. Some families in China's already have cars.

The potential market for family-used sedan cars holds a promising future for China's large auto makers, such as the Dongfeng Automobile Corporation in central Hubei Province.

Trucks used to be the main products of the company. Now a 700-million yuan (80 million U.S. dollars) joint venture, funded by Dongfeng and Citroen of France, is under construction. When completed, it is expected to manufacture 300,000 Fukang sedans a year. The Fukang sedan is a compact car for family and taxi use.

In June this year the Chinese Government decided to give priority to the development of a number of pillar industries, including auto making.

With support by the central government, two or three large domestic automobile companies, such as Dongfeng, the Changchun No. 1 Automobile Works and Shanghai-Volkswagen Corporation, will increase their output to one million vehicles a year.

No new auto-assembly projects will be approved until 1996, but the production of auto parts will be encouraged.

Car Leasing Business Starts in Southern Cities

OW1508130394 Beijing XINHUA in English 1250 GMT 15 Aug 94

[Text] Beijing, August 15 (XINHUA)—Car leasing, a brand new business for the Chinese people, has appeared in Shanghai, Wuhan and some other south China cities.

In Shanghai, the Volkswagen Hezi Car Leasing Co. Ltd has signed long-term contracts with more than 130 customers since its opening five months ago.

Meanwhile, in Hubei Province, the Dongfeng Motor Co. and the provincial leasing company jointly sponsor the leasing of cars to families. So far 31 cars have been leased.

Experts say that car leasing helps cut the motor car producers' stockpiles and quickens their fund circulation.

At the same time, car leasing makes cars available to families who cannot afford to buy cars.

National Seminar on Economic Radio Stations Opens

OW1508143794 Urumqi XINJIANG RIBAO in Chinese 6 Aug 94 p 1

[Unattributed report: "Directors of Economic Broadcast Stations From Across the Country Get Together in Border City To Discuss Ideas for Reforming, Developing Economic Radio Stations"]

[Text] A national seminar of economic broadcast stations on propaganda and reform opened in Urumqi city on 5 August.

Economic broadcast stations came into existence in 1986, when the Zhujiang Economic Broadcast Station began airing extensive programs hosted by individuals for lengthy periods. Thereafter, economic broadcast stations sprang up like bamboo shoots after a spring rain. The number of such stations has now increased to 70 to 80.

The seminar will discuss ideas for and priorities in reform by economic broadcast stations in the future. Sha Ming, vice chairman of the autonomous regional committee of the Chinese People's Political Consultative Conference and director of the autonomous regional radio and television department; Li Kangning [2621 1660 1337], director of the autonomous regional party committee's propaganda department; Zhao Jianhua, secretary of the autonomous regional radio and television department's leading party group; and relevant responsible comrades from the Ministry of Radio, Cinema, and Television attended the opening ceremony. They expressed their hopes for the development of economic broadcast stations and made relevant suggestions.

The seminar was sponsored by the Tianshan Economic Broadcast Station.

Subscriptions to Foreign-Language Journals Dropping

HK1308063194 Beijing ZHONGGUO XINWEN SHE in English 1337 GMT 12 Aug 94

[Text] Beijing, 12 Aug (ZHONGGUO XINWEN SHE)—A sharp cut is registered for journals and books in foreign languages which are subscribed by various scientific research entities for next year. Sources from the scientific sectors who have long depended on these publications for latest information overseas were convinced that the influx of information on latest technology and new knowledge would certainly reduce to a great extent. [sentence as published]

Prices for journals and books in foreign languages rise by 60 percent on average this year because of unification of the exchange rate of the renminbi and the price hike factor. It may be rather difficult to keep the present subscription amount of such journals and books in three to five years to come, even though spending on them maintains a gain of 20 and 30 percent each year.

The Shanghai Institute of Scientific and Technological Information once subscribed to some 4,000 kinds of journals in foreign languages in late 1980s, and the subscription volume reduced year by year, mainly due to a price hike and a change in the exchange rate of the renminbi. The subscription volume decided in 1993 for the following year was put at 2,500 types of magazines, while the volume ordered this year for 1995 is reduced to 1,600 kinds.

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Magazines in foreign languages ordered by the Shanghai Academy of Social Sciences were hacked from 600 to 200. The magazines subscribed by high schools in the municipality saw a moderate drop in number, but the strategy employed by them, in which books had to give way to magazines led to weak purchasing power for books, according to the Shanghai branch of the China National Book Import and Export Corporation.

High-Tech Industrial Zones Developing at 'Full Swing'

OW1508043794 Beijing XINHUA in English 0302
GMT 15 Aug 94

[Text] Beijing, August 15 (XINHUA)—High-tech industrial development zones across the country are developing in full swing, according to the State Science and Technology Commission.

A survey on 52 state high-tech industrial development zones shows that these zones now house more than 20,000 enterprises with about 700,000 employees.

The zones brought in a total output value of more than 50 billion yuan last year, including an industrial output value totalling 40 billion yuan.

The zones delivered a total of five billion yuan to the government in profits and taxes, and exported 700 million U.S. dollars worth of goods last year.

Nearly 80 of the high-tech zones now each generate an output value exceeding 100 million yuan a year. Many enterprises in the zones have registered capital topping 10 million yuan each.

Technology Development Zones Grow 'Vigorously'

OW1508062394 Beijing XINHUA Domestic Service in Chinese 2118 GMT 13 Aug 94

[By correspondent Xia Weidong (1115 5898 2639) and reporter Yang Zhaobo (2799 0340 3134)]

[Text] Beijing, 13 Aug (XINHUA)—China has made a breakthrough in the comprehensive reform of high and new technology industries. High and new technology industry development zones are growing vigorously and the relevant economic indexes have greatly increased.

According to initial statistics compiled by the State Science and Technology Commission on 52 national-level high and new technology industry development zones, more than 20,000 enterprises with nearly 700,000 employees have been set up in those development zones. In 1993, their total income from technology, industry, and trade exceeded 50 billion yuan, including more than 40 billion yuan of industrial output value, 5 billion yuan turned over to the state as a share of profits and as tax payments, and more than \$700 million in income from exports. All major economic indexes doubled compared to those of 1992. The Beijing high and new technology industry development zone, which was built earlier than

others, has maintained high levels for its major economic indexes for five consecutive years and has earned a total income of more than 10 billion yuan. It has kept itself in the front rank and has played a leading role among China's high and new technology industry development zones.

The further development of the socialist market economy has forcefully promoted the construction of high and new technology industry development zones. Government leaders at all levels consider high and new technology industries to be the priority tasks of the government. Many provincial party secretaries and governors, as well as city party secretaries and mayors, regularly receive briefings on the work of high and new technology industries, work in the development zones, and help solve problems there. According to reports from various localities, a better environment has been initially created due to the formulation and implementation of high and new technology industry development policies, and the constant improvement of the infrastructure and service system in the development zones. A large number of enterprises with high technological levels, large scales of production, good market prospects, high economic efficiency, and a high quality of personnel are growing rapidly in the development zones. Some development zones have overcome the difficulty of a shortage of capital funds, have actively attracted investors, have accelerated construction, and have created some backbone industries, such as the optical communications industry in the Wuhan Development Zone and the electronics information industry in the Beijing Development Zone.

It is reported that in the 52 national-level high and new technology industry development zones, there are about 80 enterprises each with an annual output value exceeding 100 million yuan. In the meantime, more investors, especially foreign investors, are entering the development zones, and their projects are of a high technological level and a large scale. The number of national-level Torch Plan projects in development zones has increased remarkably. In the high and new technology industry development zones in Daqing, Zhengzhou, Xian, and Suzhou, the average investment by new enterprises and registered in 1993 exceeded 10 million yuan. The Suzhou high and new technology industry development zone in 1993 attracted 66 investment projects with a total investment of \$700 million. The Beijing high and new technology industry development zones are targeting well-known large enterprises of the world. So far, more than 10 of them have set up in the Beijing Development Zone.

With the gradual establishment of high and new technology industries in development zones, these zones are playing a more and more important role in local economic development. The output value of the Beijing high and new technology industry development zone accounts for one-half of the total industrial output value of Haidian District. In the meantime, the vigorous

growth of development zones has brought about prosperity in local commerce, trade, services trade, and other tertiary industries.

Beijing Considers Allowing Foreign Capital in A Stocks

HK1508142194 Hong Kong MING PAO in Chinese 12 Aug 94 p A12

[By Wang Yang (3076 3152): "Authoritative Source Reveals Meeting of Branch Presidents of People's Bank of China Being Held in Beijing Today, and Foreign Capital Investment in A Stocks Is on Agenda"]

[Text] As disclosed by an authoritative source, a national meeting of the branch presidents of the People's Bank of China will be held in Beijing today. The meeting will discuss the current economic and financial situation in China. What is attracting people's attention is that foreign capital investment in A stocks [stocks denominated in renminbi currently available only to domestic investors] is among the subjects for discussion.

It has been learned that the above meeting will mainly review the state of implementation of the financial reform measures in the first half of this year and discuss the current economic and financial situation. Vice Premier Zhu Rongji, who is in charge of the economy, will deliver an important speech at the meeting, in which he will touch on the orientation of financial policies in the second half of the year. People are following with interest whether foreign financial institutions will enter the market for A stocks in China.

It has been learned that there are different views regarding whether or not foreign financial institutions should be allowed to enter the A market. Some personalities in securities circles maintain that with the protracted sluggishness of Chinese stock markets, it is necessary to appropriately absorb overseas funds into the mainland's A stocks to maintain the steady growth of stock markets in China. However, another view is that China's stock markets are still in their initial stage and have quite a limited scope. Once the A stock market is open to foreign financial institutions, mainland stockholders may face a situation in which they will be wantonly crushed by others.

Regarding the plan to allow foreign financial institutions access to A stocks, the pertinent authority is now inclined to only allow foreign financial institutions and Chinese enterprises to jointly set up funds to invest in A stocks. For this reason, experiments should be carried out before dissemination. However, personalities in securities circles point out that, in fact, capital in the A stock market at present is not purely local because some foreign businessmen have invested through mainland enterprises, and Taiwan investors are particularly enthusiastic about investing in the Shanghai stock market.

Earlier, in order to halt the continuous decline in the mainland's stock markets, the China Securities Supervision and Regulatory Commission announced four measures to halt the slump, which included the absorption of foreign capital into the A market in a planned way.

Stimulated by these four measures, the mainland's stock markets surged sharply, with the Shanghai and Shenzhen stock markets rising by a third. Personalities in Chinese securities circle point out that after rebounding for more than a week, the markets have lost direction now and are at a wait-and-see stage. They maintain that, at present, the markets are primarily waiting for the latest news from the CPC plenum and anticipate that a decision will be made at the meeting to reduce the intensity of macroeconomic regulation and control. In addition, the entry of foreign institutions into China's stock markets will also stimulate share prices to rise by a big margin.

Everbright Bank's Total Capital Assets 'Snowball'

OW1508134194 Beijing XINHUA in English 1327 GMT 15 Aug 94

[Text] Beijing, August 15 (XINHUA)—The Everbright Bank of China, one of the country's youngest commercial banks, saw its total capital assets snowball to over 15 billion yuan from its starting point of 1.5 billion in 1992.

Everbright's President Tang Gengyao attributed the achievement to the bank's market-style management mechanism. He also called here today for the building of a better environment conducive to commercial banks' further development.

Everbright, one of China's eight commercial banks, started operation in August 1992, with registered capital of 1.5 billion yuan. Its total capital assets had increased to nine billion yuan by the end of 1993, and grew by 49.7 percent to over 15 billion yuan by the end of June this year.

Now the bank has deposits totalling 10 billion yuan. Its loans during the past two years amounted to nearly four billion yuan and 200 million U.S. dollars.

As a commercial bank, Everbright runs its business in accordance with market principles. "We are not plagued by administrative interference," said Tang, "not even from the China Everbright Group Ltd, our parent company."

Thanks to its stress on capital efficiency and security, the bank has only 4.3 percent in overdue loans, according to Tang.

Everbright's success also results from its boldness in trying out new business fields. It now handles business in securities, investment and leasing; securities of various kinds constitute 15.6 percent of its total capital assets.

Tang said that the bank's next focus would be on investment involving the purchasing, merging or transformation of enterprises.

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The president acknowledged that commercial banks in China are still in their infant stage. They are no match for specialized banks in terms of the number of branch banks and strength in attracting deposits and making loans.

He called for further relaxing business restrictions on banks, especially in opening up new business fields.

He said that the State Council has approved in principle a draft law on commercial banks. The draft is expected to be submitted to the standing committee of the National People's Congress, the nation's supreme legislature, for deliberation soon.

"The promulgation of the law will help improve the environment for further expansion of commercial banks," Tang said.

Bank of China Reports Gold Sales Hit Record High

HK1308061794 Beijing CHINA DAILY in English 12 Aug 94 p 2

[By Lin Hong: "Gold Sales Hit an All Time Record"]

[Text] Gold sales in China are booming, the People's Bank of China has revealed.

Ever since the new gold policy pegged China's gold prices to the international standard, domestic sales have increased.

The purchase price has risen from 54.96 yuan (\$6.3) per gram (0.035 ounce) last year to 96.96 yuan (\$11.1) since the policy was introduced last September.

And the surge in sales and prices has brought huge profits to the nation's gold industry, which has long been suppressed by lower prices under the old planned economy.

In the first half of this year, the output of gold products increased by 26 percent compared to the same period last year.

In June, the State purchased 61.67 percent of the total output, 41.8 percent more than the same month last year.

The goal of setting up a free market gold price system is part of China's drive to forge a socialist market economy.

The new gold policy allows domestic prices to respond to international market changes, as long as domestic gold prices remain stable.

In the first half of this year, the price of gold on the international market witnessed no drastic fluctuations. The average price was \$383.29 per ounce.

China's gold retail price has been kept at 135 (\$15.7) to 145 (\$16.8) yuan per gram (0.035 ounce).

According to the bank, the annual domestic sales of decorative gold products have reached more than 10 billion yuan (\$1.16 billion) in recent years.

New Regulation Covers Foreign Real Estate Investment

OW1508125994 Beijing XINHUA in English 1250 GMT 15 Aug 94

[Text] Beijing, August 15 (XINHUA)—China has worked out a new regulation regarding foreign investment in its burgeoning real estate industry, according to sources at the Ministry of Construction.

The regulation, jointly mapped out by the Ministries of Construction and Foreign Trade and Economic Cooperation, stipulates that China encourages foreign investment in the development of land for industrial use, renovation of old housing and construction of residential buildings.

According to the regulation, foreign investors can either co-operate with Chinese organizations in real estate development or start joint ventures with Chinese enterprises. Solely foreign-funded enterprises are also permitted.

The new regulation also says the amount of foreign investment should take up at least 20 percent of the investment in a Sino-foreign joint venture. Foreign investors may not use loans from the bank of China as their capital stocks, nor can their Chinese partner provide financial guarantees for foreign businesses.

China has over 28,600 real estate companies, 4,000 Sino-foreign real estate joint ventures and another 800 real estate firms solely owned by foreign businessmen.

Foreign Trade Law 'Adheres Closely' to World Norms

HK1508010094 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 14-20 Aug 94 p 1

[By Xiao Wang: "Trade Law Meets International Standards"]

[Text] Arguing that China's foreign trade law adheres closely to international trade rules, a senior Chinese official branded the efforts of some countries to label China as a non-market economy "unfair and unrealistic."

"The law reinforces the market mechanism by granting business autonomy to traders, extending most-favoured-nation status and national treatment to foreign enterprises, and ensuring a uniform national policy," Zhang Yuejiao, deputy director general of the Law and Protocol Department of the Ministry of Foreign Trade and Economic Co-operation (Moftec), told Business Weekly.

A mastermind of the law, Zhang explained that it advocates free commodity and technology trade, as well as gradual opening of the service trade.

The law reflects the latest trend of multilateralism stipulated by the General Agreement on Tariffs and Trade (Gatt) and the World Trade Organization (WTO).

"All these comply with the Gatt spirit and will be a stimulus to China's access to Gatt and WTO," she predicted, adding that China "has made tremendous progress towards establishing a market-oriented economy over the past 15 years."

According to the World Bank, China has abolished State control of foreign trade and has seen more than 90 per cent of its commodities priced by market forces.

In fact, Zhang said, "China has signed all the documents of WTO, including those concerning service trade."

The WTO agreements allow developing countries such as China to open their service industries on a gradual basis.

The agreements also allow member nations to close certain service sectors to foreigners. For example the United States does not open its inland shipping, while India does not open its insurance.

China's foreign trade law bars foreigners from investing in radio, television and other telecommunication businesses to establish wholly foreign owned enterprises.

Zhang said China's foreign trade law also conforms to Gatt and WTO in the following aspects:

- Foreign trade regime. The law stipulates that uniform foreign trade policies are applied across the country; that the government restrains from meddling in the trade activities of enterprises; that the State encourages foreign trade through setting up import and export banks development funds and risk funds—an international practice; and that foreign companies must not dump or subsidize exports to China.
- Foreign trade relations. The law stipulates that China adopts nondiscriminatory policies in trade with other countries or regions.
- Foreign trade entities. China applies the licensing system on foreign trade businesses. Gatt does not bar its members from such practice. South Korea and some other Gatt members also include the licensing system in their national foreign trade laws.

Zhang said China is delegating foreign trade rights to more and more enterprises. So far, there are about 9,000 domestic trade and manufacturing enterprises as well as 190,000 foreign-invested enterprises engaged in foreign trade business in China.

The current foreign trade law came into effect on July 1 after 12 years of preparation.

Number of Chinese Working Abroad Under Contract Increasing

OW1408020994 Beijing XINHUA in English 0122
GMT 14 Aug 94

[Text] Beijing, August 13 (XINHUA)—More than 830,000 Chinese workers and technicians have been abroad over the past 15 years to implement contracts on overseas engineering and other projects as well as labor services.

The figure is small in view of China's total population of 1.2 billion, but it serves as an indication of a great change compared with the situation before 1979 when China had no such operation at all.

Chen Yongcai, director of the Department of Foreign Economic Cooperation under the Ministry of Foreign Trade and Economic Cooperation said the achievement in international economic and technical cooperation is outstanding, which followed China's implementation of the reform and open policies in the late 1970s.

By the end of June, the total contracted business volume of overseas projects and labor service over the past 15 years had reached 37.5 billion U.S. dollars, and the total turnover was 22 billion U.S. dollars.

Chen said that overseas labor services provide additional job opportunities. A worker on an overseas contract is usually required to serve a two-year term, and he can earn at least 300 U.S. dollars a month during the period.

The technical standards have been rising in the country's overseas projects and labor services, he said. Among the country's 400 companies with the right to provide overseas labor service, one-fourth deal with designing and consultancy, and 20 percent of the people sent abroad are computer and aircraft maintenance engineers.

The contracted projects and workers in Asia make up most of China's overseas business, Chen said. Among the 194,000 Chinese workers who are currently serving abroad, over 30,000 are in Hong Kong, 20,000 in Macao, and 13,000 in Singapore. In Malaysia and Pakistan, there are also quite a number of Chinese workers.

The business scale for China's contracted projects and labor service has also been expanding rapidly, Chen said. Chinese companies have now contracted such large and hi-tech projects as big coal mines, huge power and chemical plants, railways and aeronautical engineering works.

The director said that prospects for contracting projects and labor services overseas are promising and by the end of this century, China's annual business volume in this field is expected to reach 30 to 40 billion U.S. dollars, and each year 300,000 to 400,000 Chinese will be staying abroad to perform such contracts.

Expert Predicts Increase in Demand for Computers

*OW1208142494 Beijing XINHUA in English 1410
GMT 12 Aug 94*

[Text] Beijing August 12 (XINHUA)—In 1994, the demand for computers in China will increase by 30 percent over last year, predicted an expert from the China Center for Computer and Microelectronics Industry Development (CCCMI).

He also said that the personal computer will take the lion's share in China's computer market and the competition between computer companies will be more intense.

The computer industry will enjoy rapid growth as China is now accelerating its pace of developing electronic information networks and renewing outdated industrial techniques, according to the expert.

More foreign computer companies, including large computer companies such as AST and Compaq, have entered China since it dropped its import tax on computers last year.

Statistics show that China imported 400,000 monitors, 390,000 keyboards and 420,000 printers last year.

Computers have quickly entered millions of people's lives in China in the past few years. Nearly 100,000 personal computers were bought by individuals last year, bringing the number of computers owned by private individuals to about 600,000.

Auto Market Demands Changing

*OW1208142894 Beijing XINHUA in English 1408
GMT 12 Aug 94*

[Text] Beijing, August 12 (XINHUA)—The demand for large vehicles and luxury passenger coaches is rising in China's automobile market.

Information from the recent national auto fair in Tianjin revealed that there has been increasing demand for container vehicles, light trucks for short distance hauling, heavy-duty diesel trucks and luxury passenger coaches and sleeping coaches equipped with air conditioning systems, television sets and other modern equipment.

The changes in the auto market demand reflect the development of foreign trade, transportation by collectives and private persons, the improvement in roads and the rising living standards of the people.

Carbon Black Industry Witnesses Rapid Growth

*OW1508091694 Beijing XINHUA in English 0901
GMT 15 Aug 94*

[Text] Beijing, August 15 (XINHUA)—China's carbon black industry witnessed rapid growth in the past few years.

In 1993, its output reached a record high of 396,000 tons, 1.2 times that of the 1980 figure.

China's consumption of carbon black in 1993 reached 389,000 tons.

The country imported carbon black since the 1950s and in 1979 it imported a record of 26,500 tons. But then China began to export the product and 22,000 tons were sold abroad in 1992, 6.1 percent of the total output that year.

Carbon black is used as pigments mainly for the rubber industry, which consumes 350,000 tons a year or 90 percent of the total. The coating industry uses one percent of its total output.

On an average, China's rubber industry consumes seven percent more of carbon black every year. In 1992, China produced 51.8 million tyres, an increase of 3.5 times as compared with 1980. Experts predict that the demand for carbon black in 1994 will be around 380,000 tons.

National Conference on Offshore Oil Industry Ends

*OW1408072394 Beijing XINHUA in English 0642
GMT 14 Aug 94*

[Text] Tianjin, August 14 (XINHUA)—China has made outstanding achievements in developing its offshore oil industry over the past decade and more, according to a national meeting.

The total proved oil reserves and crude output have jumped with very big strides compared with 15 years ago, with an annual growth rate exceeding 35 percent, said Wang Yan, president of the China National Offshore Oil Corporation, at the national conference on offshore oil industry, which closed Saturday in Tianjin.

China decided to develop offshore oil industry 30 years ago and the first oil well was built in Bohai near Tianjin in 1967.

In 1979, China signed eight contracts for exploring offshore oil fields with some 20 oil giants around the world.

To date, it has 99 oil contracts and agreements in hand signed with 55 companies from 15 countries and regions throughout the world, involving total foreign funding of 4.2 billion U.S. Dollars.

More than 360 offshore oil wells have been constructed, with an accumulated oil reserve topping 1.2 billion tons and natural gas reserve of 200 billion cubic meters.

It has built 13 modern offshore oil and gas fields and another 7 are under construction, with an annual crude oil output reaching six million tons and natural gas output of 500 million cubic meters.

Among them, the annual crude output of a field in the Bohai Sea exceeds one million tons. In the eastern part of

the South China Sea, the Liuhua n-1 oil field with an oil reserve of 250 million tons has been under exploration and is expected to be operational in 1996 and produce 8 million tons a year.

In the western part of the South China Sea, a gas field, the biggest of the kind in the country, has been discovered, with a total natural gas reserve of 100 billion cubic meters.

So far, a 778-km underwater pipeline leading to Hong Kong and a 91-km pipeline to Hainan province have been completed. Gas from the field is expected to be sent to Hong Kong and Hainan at the beginning of 1996.

Experts at the meeting predicted that by the year 1997, China's annual offshore crude output will reach 12 million tons and natural gas four billion cubic meters.

In the meantime, China has imported a large amount of equipment and facilities for marine oil exploration and production. Now, it has nearly 100 oil exploring ships of different types.

Attention has been paid to high-tech development and application in marine oil production in the past years, with 438 new technologies developed and used in the industry.

Report on Development of Aviation Industry in Southwest

OW1608093494 Beijing XINHUA in English 0858 GMT 16 Aug 94

[Text] Kunming, August 16 (XINHUA)—Southwestern China is drawing nearer to the outside world with more and more aviation facilities and domestic and international air routes.

Local aviation officials said that in the course of a stronger drive to open wider to the outside world, the area will develop a complete international air transport network by the end of the century, linking up southeast Asian countries and regions. New routes are also planned to link southern Asian countries.

Generally speaking, the area includes Yunnan, Sichuan and Guizhou provinces and the two autonomous regions of Tibet and Guangxi, which have shown fledgling economic development during the past few years.

At present, the provinces and regions are pouring large sums of money into building new airports or expanding existing aviation facilities in different localities.

In Yunnan Province, six airports are in service and two more are being built. Three new airports are being built in the three cities of Guilin, Wuzhou and Liuzhou of the

Guangxi Zhuang Autonomous Region. In addition, several other airports in Sichuan, Guizhou and Tibet have been expanded.

China Southwest Airlines, with headquarters in Chengdu city of Sichuan Province, opened one flight to Hong Kong and another to Lhasa of Tibet and Kathmandu of Nepal upon completion of the expansion project of the Chengdu Shuangliu airport.

Now there are increasing numbers of domestic and international flights offered by local airlines and air China in the whole area.

Kunming airport in Yunnan Province has become the fifth biggest international airport in China following the cities of Beijing, Shanghai, Guangzhou and Urumqi.

Yunnan Province, which borders Vietnam, Myanmar [Burma] and Laos, is acting as an important area linking up other Southeast and South Asian countries and regions.

So far, some overseas airlines, such as Silk Air of Singapore, Thai Airways International of Thailand and Dragon Air of Hong Kong, have opened regular regional and international air routes connecting with Kunming.

Every year, nearly 10,000 flights from Europe, Africa, Southeast Asia and west Asia pass through Kunming and leave for other big Chinese or overseas cities.

During the two years of its establishment, Yunnan airlines has opened 36 domestic air routes and five international and regional routes leading to Singapore, Bangkok, Chiang Mai and Kuala Lumpur.

Up to now, the airlines have bought seven Boeing 737-300 aircrafts, and another plane of the same type will be bought and put into operation soon.

Officials with the airlines said that in the next few years, it will buy two or three large passenger planes accommodating 250 to 300 people and several smaller ones holding some 100 passengers.

Eastern China Speeds Up Airport Construction

HK1308065094 Beijing ZHONGGUO XINWEN SHE in English 0210 GMT 13 Aug 94

[Text] Beijing, 13 Aug (ZHONGGUO XINWEN SHE)—As demand for development of civil aviation is increasing with each passing day, East China has decided to speed up construction of airports. According to Mr. Bian Shaobin, director of East China Civil Aviation Administration, preliminary work of Shanghai Pudong's new airport is in full swing. Nanjing, Fuzhou, Hangzhou and Nanchang, four provincial capitals, will all build their new airports. Another

23 medium and small airports will be jointly built by the Administration and various localities. By the year of 2000, there will be altogether 42 airports in the area of East China, hence forming a convenient network of civil aviation in this region.

At present, there are already 30 airports in East China. Upgrading these airports and constructing new ones is on the agenda of urban infrastructural construction. A number of cities in this region have decided to either renovate or enlarge their airports. All these projects need a total investment of tens of billion renminbi. Civil aviation administrative departments concerned and local governments have all paid great attention to these projects. Some 23 contracts have been signed between the newly founded East China Civil Aviation Construction Corporation and local authorities for either building new airports or expanding the old ones. Construction on some of the above-mentioned projects will soon start.

Agriculture Ministry Issues Circular on False Statistics

*OW1508155794 Beijing XINHUA in English 1505
GMT 15 Aug 94*

[Text] Beijing, August 15 (XINHUA)—Rural enterprises must stop providing false statistics concerning the value of production, the Ministry of Agriculture has warned in a circular.

As a way to stop the trend of exaggerating output values while ignoring improvements in economic efficiency among some rural enterprises, the ministry will no longer use output values to evaluate enterprises. Instead, it will take sales value, profits and tax contributions as the new criterion.

From now on, all statistics will have to be based on accounting records. Figures from other sources will not be accepted, the circular says.

East Region

Anhui Military Leaders Meet Spiritual Civilization Models

OW1308223594 Hefei ANHUI RIBAO in Chinese
30 Jul 94 p 1

[Report by ANHUI RIBAO correspondent Liu Fuxiang (0491 4395 6116): "Red Army Veterans Discuss Revolutionary Traditions and the Spirit of the Times With 10 Models"]

[Excerpts] Some Red Army veterans in the provincial military district and advanced personnel of grass-roots military units had a discussion with the province's first 10 spiritual civilization models on the morning of 29 July. The heroes and models of the two generations had a free exchange of views on fostering revolutionary traditions and putting the spirit of spiritual civilization models into practice.

Leaders of the provincial military district, including Shen Shanwen, Chen Peisen, He Yanran, Liu Zhengzong, Wang Jusheng, Ren Chaohai, and Luo Yongfang attended the discussion meeting. Red Army veterans Huang Jinsi, Wang Jun, and Chen Renchang spoke glowingly of our party and Army's glorious traditions. They told the 10 models with great emotion: Although we did not know you, we applauded you when we heard about your advanced deeds in the newspaper and on television. [passage omitted]

Chen Peisen, political commissar of the provincial military district, spoke at the discussion meeting. He said: Five of the 10 models selected are soldiers, militiamen, and military dependents. This is the pride of the Army and militia. Currently, the provincial military district command emphasized the need to set a good example in two respects to respond to the call by the provincial party committee and government on deepening activities to learn from the 10 models: First, the provincial military district organs must set a good example for all units in the district. Second, leading cadres at all levels shall set a good example for the masses in general. The vast number of officers and men, as well as militiamen and reserve personnel, should consciously begin with themselves to foster healthy trends and become pacesetters in serving the people in the drive to build spiritual civilization.

Anhui To Build Cement Production Belt Along Chang Jiang

OW1608060994 Beijing XINHUA in English 0540
GMT 16 Aug 94

[Text] Hefei, August 16 (XINHUA)—East China's Anhui Province plans to build a cement production belt along the section of the Chang Jiang river flowing through the province, according to the provincial government.

An official of the provincial bureau of the building materials industry said that the belt will have an annual cement production capacity of 15 million tons by the end of the century.

To this end, the bureau plans to complete the construction of four large new plants along the Chang Jiang river by the year 2000, the official said.

The Yangwan cement plant with an annual capacity of 3.1 million tons will be built in Wuhu, a port city on the Chang Jiang river; the Wannan cement plant with a capacity of 2.54 million tons a year will be constructed in Chizhou city; the Zongyang cement plant to turn out 1.5 million tons a year will be built in Zongyang county; and the Wanxi cement plant to produce 300,000 tons annually will be constructed in Anqing, another port city on the Chang Jiang river.

The Tongling cement plant with an annual capacity of 3.94 million tons is being built in Tongling, another port city on the Chang Jiang, the official said.

The provincial government has decided to set up a cement industry foundation to help finance the construction of these five large cement plants

It also plans to use foreign funds to speed up the construction of these plants and introduce the shareholding system into them, he added.

Limestone deposits with reserves verified at 2.2 billion tons have been found along the 410-km section of the Chang Jiang flowing through Anhui, he said.

Coal-rich Anhui Province manufactured 16 million tons of cement in 1993, becoming the tenth largest cement producer in China, he said.

Fujian Improves Its Legal System Under Market Economy

OW1308065194 Beijing XINHUA in English 0640
GMT 13 Aug 94

[Text] Fuzhou, August 13 (XINHUA)—Southeast China's Fujian Province is improving its local laws and regulations to pave the way for further economic development.

Since 1978, when China began its national reform and opening further to the outside world, Fujian has opened a number of economic and technological development zones and bonded zones.

At the same time, it has made relevant regulations with reference to international practices.

Included are laws regarding the management of the economic development zones, foreign investment and mortgage loans.

As soon as Xiamen, a coastal city in Fujian, became one of China's five special economic zones (SEZ), Fujian drew up regulations and rules concerning the registration

of enterprises, management of labor, utilization of land resources, technology introduction and co-operation with interior enterprises.

These regulations have helped ensure Xiamen's development.

At present, Fujian has worked out 120 economic regulations and rules, many of which were enacted for the benefit of overseas Chinese and compatriots from Taiwan, Hong Kong and Macao.

Businessmen from Hong Kong, Macao and Taiwan make 90 percent of the total foreign investment in Fujian, which had reached 7.38 billion U.S. dollars by the end of last year.

Moreover, Fujian has drafted decrees to develop postal and telecommunications services, to make the city green and clean, and formulated regulations on the supervision of quality and the legal rights of consumers earlier than the other parts of China.

Report on Development of Hefei's New, High-Tech Zone

OW1408133694 Beijing XINHUA in English 1312
GMT 14 Aug 94

[Text] Hefei, August 14 (XINHUA)—On what used to be a wasteland, now stands more than 200 enterprises, with their joint industrial output value expected to hit 1.8 billion yuan (207 million U.S. dollars) this year.

The 18.5-sq km new and high-tech development zone in Hefei, the capital of Anhui Province in southeast China, has emerged as one of the fastest growing among China's 52 state-approved new and high-tech zones.

Tang Baochang, director of the management council of the development zone, said that Hefei, with 10.7 per cent of its urban residents being college graduates, holds an advantage in developing the new and high-tech industry and becoming a national base for science and higher education.

Altogether, there are 13 universities and colleges in the city, with nine surrounding the development zone, including the prestigious China Scientific and Technological University.

The Hefei branch of the Chinese Academy of Sciences is a leader in many research fields, ranging from lasers to new energy, new materials and information techniques. Besides, the city has more than 200 research institutes covering various academic spheres.

The colleges and institutes have launched 30 businesses to apply the latest achievements in micro-electronics, robotization and biomedicine.

A large-scale integrated circuit testing center was set up in the zone, along with an experimentation center for traditional Chinese medicines.

Tang said that some of the area's products are leading the world in their fields. Technicians in Anhui Television Technical Institute combined VHS video images and high-fidelity sound on a 5-inch compact disc.

their first product—a compact disc karaoke player—aroused attention at the Second International Electronics Fair and won a top prize. Their foreign counterparts were astonished to see that Chinese technicians have attained a commanding height in making high-tech video and audio products.

By the end of June, 261 enterprises had been set up in the zone, involving a total investment of 2.53 billion yuan (290 million U.S. dollars). One fourth of the registered companies were new and high-tech ones, as acknowledged by the State Science and Technology Commission.

There were 65 overseas-funded businesses, which had procured foreign investment totalling 70 million U.S. dollars.

Also, the zone represents a source for spreading new and high technologies. For example, a new strain of watermelon seeds now takes up 70 per cent of the national market, while a new cultivation technique has enabled Anhui's export of river crabs to make up 60 percent of the national total.

Tang attributed the zone's fast growth partly to a number of large enterprises, which depend on new and high technologies as a way to win market.

The Hefei washing machine factory has introduced Sanyo's techniques to produce the latest automatic washing machines controlled by a fuzzy logic system. Its new assembly line is expected to produce 400,000 machines a year, worth 1.2 billion yuan (139 million U.S. dollars).

Last year, enterprises in the zone came up with a joint output value of 820 million yuan (95 million U.S. dollars). The figure is likely to be 1.8 billion yuan this year, said Tang.

The zone set up China's first Bank of Science and Technology in 1992 to provide loans for new and high-tech industries featuring big investment and high risk.

Situated in the scenic western suburbs of Hefei, the zone is covered with large grassy patches—the proper harmony between natural beauty and human creation.

Xiamen Adjusts Development Plan To Attract Foreign Capital

OW1508092194 Beijing XINHUA in English 0854
GMT 15 Aug 94

[Text] Xiamen, August 15 (XINHUA)—Xiamen, a local home of Overseas Chinese in southeast China, has opened an area of 20 square km originally delimited for future petrochemical projects to overseas investors.

Xiamen adjusted the growth plan of the whole area, covering 100 square km, to build it into a multifunctional, export-oriented and comprehensively exploited district of modern industries and a port.

The area, Haicang Investment Zone, was set up to hold Taiwan business concerns in May 1989.

Now Haicang has been divided into seven independent districts to develop commerce, finance, trade, real estate, the fine chemicals industry, chemical fibers, electronics, machinery, new materials, light industry, aviation and aerospace, entertainment and shipping.

It saw its blueprint first re-shaped in June last year when Fujian province and Xiamen city allowed foreign businessmen to invest in various programs in 80 square km within the zone while leaving 20 square km for the future use of the petrochemical industry.

A commission authorized by Xiamen city has been formed to preside over the planning, development, construction and management of the district, adhering to the line of "small organization and big service."

Several cooperative ventures specializing in investment, construction, public service, social development, trade and port development have been formulated as enterprises so that the government will be able to supervise economic operations indirectly and on a macro level, following the dictates of the market economy.

The infrastructure in Haicang has been strengthened steadily, and about one billion U.S. dollars has been pumped into the construction of roads, water and electricity supplies, communications and accessory systems in residential districts.

Haicang has drawn the attention of giant international investors. AIDC and BHP from Australia, Paktank from the Netherlands, Taiwan Rubber and Industrial Corporation and corporations from the United States and Singapore have landed in Haicang.

Sixteen projects have already won approval from the government, with investment amounting to 1.026 billion U.S. dollars, and seven programs already agreed upon will involve as much as 700 million U.S. dollars.

Fujian's Xiamen Industrial Output Continues To Grow

HK1308021094 Beijing ZHONGGUO XINWEN SHE in English 1214 GMT 12 Aug 94

[Text] Xiamen, 12 Aug (ZHONGGUO XINWEN SHE)—This year the industrial production of Xiamen municipality continues to grow rapidly. In the first six months, the municipality completed a gross industrial output worth RMB [Renminbi] 10.1 billion, a 37.16 percent increase over the same period last year.

According to the Economic Commission of Xiamen, foreign-funded enterprises were still the most important

impetus behind Xiamen's rapid industrial growth. In the first half of this year, the industrial output of foreign enterprises accounted for 67 percent of Xiamen's gross industrial output, 57 percent up. Whereas state-owned industries had a 15 percent growth by achieving an output worth RMB 2.1 billion.

This year Xiamen still takes advantage of the redevelopment of its old town in Xiahe Road to upgrade some state enterprises. It is because the broadening of Xiahe Road involves the move-away of 51 state enterprises. The Government has decided to move those enterprises to the Fanghu Island which will be built into the second comprehensive exploitation zone in the city.

However, not every and each enterprise is allowed to move there. Since it is a good opportunity for the city to upgrade its enterprises, Xiamen authorities only allows those with high-tech, good economic efficiency, low consumption in energy and low pollution to enter the Fanghu zone. Therefore only 32 out of the 51 enterprises will be settled in the zone. These 32 enterprises, together with nine other enterprises, will be merged into 28 industrial enterprises. When all these enterprises are put into operation, they will turn out an annual output of RMB \$7 billion, which is six times more than the total output of all these enterprises achieved last year. In addition, there will be a 15 times increase in taxation.

It is said the Fanghu Industrial Zone is now quickening its construction of infrastructural facilities. The first phase of 32 hectares of land for the industrial enterprises will be ready by the end of August. No. 2 Pharmaceutical Factory of Xiamen, which is the first one to enter the Fanghu Industrial Zone, has planned to attract foreign capital to build a nicotinamide production plant which will be the largest one in China or even in Asia.

Plans To Develop New Commercial Center in Jiangsu

OW1308014894 Beijing XINHUA in English 0125 GMT 13 Aug 94

[Text] Nanjing, August 13 (XINHUA)—A new commercial center will arise in downtown Nanjing, the capital of east China's Jiangsu Province.

Official sources said the commercial center will surround a 6,500-sq m central square with a supermarket, office buildings and apartment houses on the east, and two fine hotels and luxury restaurants on the north.

The west wing will feature cultural facilities, including a special exhibition hall on "dream of the red mansion", a noted Chinese novel that has become a cultural phenomenon of itself. And the south wing will feature luxury office buildings.

The sources said the whole project will occupy 78,000 sq m and will be built by the Renheng Investment (Nanjing) Co., Ltd. in six years at an investment of 2.8 billion yuan.

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The commercial center will become a new landmark of the city upon its completion, the sources said.

Jiangsu Development Zone Attracts Foreign Investment

OW1308093594 Beijing XINHUA in English 0913
GMT 13 Aug 94

[Text] Beijing, August 13 (XINHUA)—The Yixing Economic Development Zone in east China's Jiangsu Province has become a hot spot for investment from transnational corporations, according to "CHINA TOWNSHIP ENTERPRISES JOURNAL".

Established two years ago, the zone has absorbed a total foreign investment worth 2.861 billion yuan, of which 2.623 billion yuan were put in foreign-funded enterprises, accounting for 91.7 percent of the total.

The first construction phase of the zone covers 3.8 square kilometers.

More than 20 international corporations have settled down in the zone.

Jiangsu Boosts Agricultural Production

OW1208143494 Beijing XINHUA in English 1421
GMT 12 Aug 94

[Text] Nanjing, August 12 (XINHUA)—East China's Jiangsu Province has increased investment in agriculture, resulting in noticeable increases in production capacity of major farm products such as grain, cotton and edible oil.

The province now produces 32.5 billion kg of grain, 500,000 tons of cotton, 1.2 million tons of oil-bearing crops, 2.2 million tons of meat and 1.4 million tons of aquatic products. Jiangsu Province used to be one of China's major bread baskets. With the rapid growth of its rural industry, an enormous amount of investment had been diverted to industrial development.

To feed its increasing population, the province has attached great importance to agriculture since the beginning of the 1990s. In 1992 and 1993, the province allocated between two and three billion yuan from its budget revenue, almost doubling the annual rate in the late 1980s.

In addition, the province has collected 400 million to 500 million yuan for water conservancy projects in Taihu lake and the Huaihe river, which were battered by serious floods in 1991. About 200 million U.S. dollars in overseas investment has been used in agriculture. The province's township enterprises have also set aside 400 million to 500 million yuan for agricultural production.

The move has resulted in marked increases of per hectare farm harvests. In 1993, Jiangsu produced 7,500 kg of rice per hectare of its paddy fields. Total outputs of rice, cotton and oil-bearing crops all registered big increases despite declines in acreage last year.

Foreign Investment Increases Rapidly in Suzhou, Jiangsu

OW1408075694 Beijing XINHUA in English 0732
GMT 14 Aug 94

[Text] Suzhou, August 14 (XINHUA)—Foreign investment in Suzhou city, a well-known tourist site in east China's Jiangsu Province, has been increasing rapidly since the beginning of this year.

According to local officials, in the first seven months of this year, the city approved the establishment of 694 foreign-funded enterprises, which bring in 950 million U.S. dollars in foreign investment, up 47.5 percent compared with the same period of last year.

The city has so far approved the establishment of 6,747 foreign-funded enterprises, of which some 4,000 have started operation. These foreign-funded enterprises have invested an actual 3.5 billion U.S. dollars of foreign funds in Suzhou.

Suzhou, where a modern international industrial park of advanced world level jointly funded by the Chinese government and the Government of Singapore is under construction, is in the Chang Jiang river delta and 100 km to the west of Shanghai and known as a land of unique gardens.

Last year, the city made 50 billion yuan in gross domestic product.

Jiangxi Holds Meeting on Public Security in Rural Areas

HK1608062694 Nanchang Jiangxi People's Radio
Network in Mandarin 1100 GMT 15 Aug 94

[Text] In Nanchang today, the provincial party committee and government began holding a meeting on the comprehensive management of public order in rural areas throughout the province. The meeting will make arrangements for intensive action to rectify and improve public order in rural areas, and to commend advanced units and individuals in public-order management at the grass-roots level.

Lu Xiuzhen, deputy secretary of the provincial party committee, presided over today's meeting. Zhu Zhihong, deputy secretary of the provincial party committee and chairman of the provincial committee for comprehensive management of public security and order, gave a speech at the meeting.

Zhu Zhihong said: Properly managing public security and order in rural areas is an urgent requirement of the efforts to further promote rural reform, development, and stability. According to the unified work arrangements of the whole country and in connection with the actual conditions of this province, and with the approval of the provincial party committee and government, group action will be taken this year and next to rectify and improve public order in rural areas. From now until

the beginning of spring plowing next year, the action will be taken in the first batch of 18 counties.

Zhu Zhihong emphasized: In order to effectively rectify and improve public order in rural areas, it is necessary first to more severely and effectively crack down on crime, and to sternly punish lawbreakers who harm public security and order in rural areas. Second, it is necessary to adopt effective measures to admonish people who have committed misdemeanors and to restrain their behavior. It is also necessary to give priority to the settlement of prominent problems and to give more effective education to the people, thus improving the personality of the peasants. The surplus labor force in the countryside should be more effectively organized and guided toward new jobs. Grass-roots organizations should be consolidated in order to ensure the fulfillment of various tasks at the grass-roots level.

Zhu Zhihong said: The key to ensuring the smooth completion of the action to rectify and improve public order in rural areas, and to achieving the expected results, lies in effective organization and guidance. In particular, the relationship between the work of the functional institutions and the role of the masses should be handled properly, the relevant policies must be carried out strictly, and the work of rectifying and improving public order in rural areas should also be linked with the work of managing public order in cities. At the same time, law enforcement and judicial institutions should be further consolidated. All functional organs concerned should cooperate closely and effectively in order to complete the intensive action to rectify and improve public order in rural areas, thus further guaranteeing rural reform, development, and stability.

Jiangxi Governor on 8th, 9th Five-Year Plan Projects

HK1108150794 Nanning Guangxi People's Radio Network in Mandarin 1100 GMT 5 Aug 94

[Excerpt] From 2 to 5 August, the provincial people's government spent six and a half days listening to reports by some 22 provincial departments and bureaus—including the provincial planning commission, economic commission, and so on—concerning the province's ninth five-year plan, its capital construction projects and technological transformation projects in the remaining two years of the province's Eighth Five-Year Plan, as well as other issues. The report meeting was attended by a number of provincial leaders, including Wu Guanzheng, Shu Shengyou, Zhou Zheping, Zhen Liangyu, Huang Zhiqun, Zhang Yunchuan, Huang Maoheng, Jiang Zhongping, Sun Yunhe, and Zhu Yingpei; by the persons in charge at more than 30 relevant provincial departments; and others.

The meeting maintained that the province has scored gratifying results in both infrastructure construction and technological transformation, and has laid a solid foundation for economic growth in the last two years of the

province's Eighth Five-Year Plan, as well as for the ninth five-year plan. The meeting stated that the province expects to see more excellent economic growth opportunities in the ninth five-year plan. The rapid pace of opening up and exploitation along the Changjiang, as well as the ahead-of-schedule completion of the Beijing-Kowloon Railroad, also are expected to create favorable conditions for the new layout of Jiangxi's productive forces.

The meeting urged the whole province to immediately begin striving to seize each and every opportunity to push forward all types of work in an energetic manner; clearly define a new train of thought for economic growth throughout the province; carry on in-depth reform; expand provincewide opening up; make full use of advanced science and technology; rejuvenate education; meticulously select and build a number of agricultural, water conservancy, energy, communications, telecommunications, and other types of infrastructure projects; build a batch of superior processing projects; bring about sustained, rapid, and healthy economic growth across the province during the ninth five-year plan; achieve a comparatively well-off livelihood across the province by the year 2000; and solve the problem of food and clothing for the province's poverty-stricken areas.

Governor Wu Guanzheng delivered a speech in which he emphatically put forward the following views:

1. It is imperative to reinforce the province's reserve economic development strength during the ninth five-year plan, lay a solid foundation for the province's economic development in the next century, bring about high-rate and high-efficiency economic growth across the province, continually develop agriculture as the foundation, energetically push ahead with industrial growth, and strive for better industrial efficiency.
2. It is imperative to widen our field of vision; pool the wisdom of all; scientifically plan projects for the ninth five-year plan; select and build more projects capable of generating better investment results and involving fewer investment risks; try to place more provincial projects in the country's ninth five-year plan; employ various channels to invite more advanced technologies, including patents; develop a batch of new products by relying on advanced science and technology; build more projects requiring less input and yielding more profits; grasp each and every opportunity to build and to focus on building a batch of worthy projects; and build more projects for the province's poverty-stricken areas.
3. It is imperative to step up the construction of infrastructure; further improve the investment environment; build more power transmission networks, in addition to several large power plants; utilize more foreign funds to build infrastructure projects, especially highways; successfully carry out urban planning; and accelerate the pace of urban construction.

4. Advance planning is imperative, as is the more expeditious construction of the province's technological transformation projects in line with the principles of aiming high, utilizing advanced technology, and achieving high efficiency.

5. It is imperative to try by every possible means to raise funds, and to make the best and most efficient use of existing funds. [passage omitted]

New Taxation System Proceeds Smoothly in Jiangxi

OW1408080394 Beijing XINHUA Domestic Service in Chinese 0955 GMT 13 Aug 94

[Text] Nanchang, 13 Aug (XINHUA)—According to a JIANGXI RIBAO report, the new taxation system was put into practice in Jiangxi Province at the beginning of this year; its implementation has become more and more delightful and basically smooth. The province's revenues are increasing steadily, and taxation is playing a more and more noticeable macroeconomic regulation and control role. With conditions for collecting taxes according to the law greatly improved, both central and local revenues have increased simultaneously. Central revenues increased by some 310 million yuan, and local revenues rose by some 450 million yuan in the first half of this year, as compared with the corresponding period last year.

Number of Private Enterprises Increase in Jiangxi Province

OW1508124694 Beijing XINHUA in English 1238 GMT 15 Aug 94

[Text] Nanchang, August 15 (XINHUA)—Privately owned businesses grow rapidly in south China's Jiangxi Province, with 525,000 are now registered.

They employ 1.26 million people and in the first six months their total output value increased 104 percent over the same period of last year, while business turnover up 44.4 percent. Local officials said that their growth rate is the highest in the province's history.

These businesses are now turning their attention to the rural market and more investments have been made on expanding the rural economy.

Since the beginning of this year, governments at various levels in the province have adopted policies to encourage the development of the private sector and create a favorable environment for its growth. In some areas, local officials have regular contacts with private businesses so as to help them solve practical problems.

Shandong Province To Accelerate Urbanization

OW1308093694 Beijing XINHUA in English 0902 GMT 13 Aug 94

[Text] Jinan, August 13 (XINHUA)—East China's Shandong Province intends to speed up the construction of

small towns so as to push its urbanization rate up to 40 percent by the year 2000, said Wang Jiangong, vice governor of the province.

About 18 percent of Shandong's 70 million people live in cities and towns. As of 1993, the province had a total of 979 towns. Another 1,395 market towns have sprung up with the development of free markets and township industries.

Wang said the towns have average populations of more than 10,000. About 15 percent of these towns have completed two-thirds of their infrastructure facilities that supply the towns with water, power, highways and telecommunications.

Wang said township enterprises have provided excellent conditions for the development of industrial towns. The province now has a total of 1.6 million township enterprises, which employ over 12 million local farmers. These enterprises produced 482.5 billion yuan in output value last year.

The province has also boosted the construction of free markets in some rural areas. Shifu, a town near Changyi city, used to be a small village with only several hundred households. Since 1990, the town has raised 25 million yuan to construct eight specialized markets where products such as food, farm-use materials, building materials, grain are sold.

The move has attracted 2,000 businesses which now employ 10,000 people, making the Shifu a prosperous and bustling modern town.

Shandong Speeds Up Development of Weifang Hi-Tech Zone

OW1308073294 Beijing XINHUA in English 0711 GMT 13 Aug 94

[Text] Jinan, August 13 (XINHUA)—Infrastructure development and industrial construction are gaining momentum in the Weifang Hi-Tech Zone in east China's Shandong Province.

Located in the eastern part of Weifang city, the two-year-old state hi-tech development zone serves as a promotion base for technical achievements, approved by the State Science and Technology Commission.

The zone has licensed 79 infrastructural projects involving a total investment of 530 million yuan (about 61 million U.S. dollars) over the past two years.

So far, the infrastructural system, including roads, water and electricity supplies, telecommunications, and heating and gas supplies, has been completed over 3.6 sq km.

An official said that a hi-tech-oriented economy is coming into existence, focusing on electronic information, electrical and mechanical products, petroleum

prospecting and drilling facilities, oceanological chemistry, polymer chemistry, pharmaceuticals and biological engineering.

Statistics show that the number of hi-tech enterprises and institutions in the zone has risen to 265.

The zone has allowed the setting up of 470 enterprises involving investments totaling 2.4 billion yuan. Among them are 55 foreign-funded ventures involving 220 million U.S. dollars.

Last year saw the zone generate an industrial output value of 450 million yuan, turn over taxes of 10.56 million yuan and earn hard foreign currency totalling 4.03 million U.S. dollars.

Shanghai Vice Mayor on Helping Firms Reverse Losses

OW1508110994 Shanghai WEN HUI BAO in Chinese 6 Aug 94 p 1

[By correspondent Shi Wenjun (0670 2429 6511) and reporter Chen Jibing (7115 1323 0393)]

[Text] Yesterday, the Shanghai Municipal Economic Commission issued a "military order" on helping enterprises in difficulty reverse losses and increase profits within this year: Ninety percent of the first batch of 46 enterprises selected to undergo this experiment will reverse their losses and turn them into profits within this year; the number of budgeted and money-losing local industrial enterprises will go down by one-third as compared with the beginning of this year; and the amount of losses will be controlled within the end of June level of 54 million yuan. To realize these goals, Vice Mayor Jiang Yiren yesterday reiterated the need to rely on reform methods and to help loss-making enterprises exert extra efforts in changing their operating mechanisms and in establishing systems for them.

Since the beginning of the year, work on experimenting with the project of helping troubled Shanghai industrial enterprises reverse losses and increase profits has proceeded smoothly, thanks to the high attention paid and great support given by the municipal CPC committee, municipal government, and other departments. Of the 46 enterprises selected for the experiment in the first half of the year, 8 have reversed losses and produced profits, and 12 have begun to stop losing money. The number of budgeted and money-losing local industrial enterprises at the end of June showed a net decline of 40 as compared with the end of February, with the money-losing rate down 4.1 percent and the amount of money lost down month by month.

To expand the results of this work and to implement guidelines set down at the national work conference on reversing losses and increasing profits, the Municipal Economic Commission, along with the municipal finance bureau and Shanghai branch of the People's Bank of China, called a Shanghai industrial enterprises'

work conference on reversing losses and increasing profits. Vice Mayor Jiang Yiren called on the industrial sector to raise understanding and to treat this project as the major task of current economic work. He said that in going about the work of helping troubled industrial enterprises reverse losses and increase profits, it is necessary to persist in engaging in the reform and retooling task, so that they will serve the ultimate goal of making "the pillar industry stronger, new and high technology industry bigger, and traditional industry more sophisticated." To ensure the realization of this year's goal of reversing losses and increasing profits, he also called for enhancing the leadership buildup at various levels and implementation of the responsibility system.

Shanghai Vows To Protect Intellectual Property Rights

OW1308032894 Beijing XINHUA in English 0316 GMT 13 Aug 94

[Text] Shanghai, August 13 (XINHUA)—Shanghai Deputy Mayor Xu Kuangdi has pledged that the municipal government will do everything within its power to protect the intellectual property rights of Chinese and foreign companies in accordance with Chinese laws.

On Thursday Xu attended a ceremony for the signing of an agreement on the establishment of a Sino-U.S. joint venture, the Shanghai-Du Pont Photomask Company. He made that pledge in a dinner given in honor of E.S. Woolard, chairman of the Du Pont Company.

He said that the new venture will turn out a high-tech product called photomask, which involves the intellectual property rights of the Du Pont Company and the Shanghai Metallurgical Research Institute attached to the Chinese Academy of Sciences.

He said that the municipal government will do its utmost to protect such rights, noting, "we will never permit anyone to pirate the intellectual property right of a Chinese or a foreign company.

"So, foreign companies now can feel reassured about investing in China and providing sophisticated technology to their Chinese business partners," he said.

The deputy mayor also praised the Du Pont Company for making a correct choice in launching a joint venture in Shanghai, the largest manufacturing center in China.

Shanghai Bourse Readjusts Declarable Share Amount

OW1308032294 Beijing XINHUA in English 0214 GMT 13 Aug 94

[Text] Shanghai, August 13 (XINHUA)—The Shanghai Securities Exchange has decided to readjust the amount of shares to be declared by traders in a single deal as of August 15, the exchange announced Friday [12 August].

The new decision is in line with the increase in the capacity of the exchange's computerized trading system and in the number of institutional investors.

In a single deal, the amount of shares of a listed company with less than 30 million shares in circulation before June 30, 1994 may not exceed 100,000 shares.

Also in a single deal, the amount of shares of a listed company with 30 million to 100 million shares in circulation may not top 200,000 shares.

But the exchange has set no ceiling on the amount of shares of a listed company with more than 100 million shares in circulation.

Shanghai Changes Method To Calculate Output of State Firms

HK1508135194 Beijing ZHONGGUO XINWEN SHE in English 1117 GMT 15 Aug 94

[Text] Shanghai, 15 Aug (ZHONGGUO XINWEN SHE)—A survey recently conducted by the Shanghai Municipal Economic Commission and Statistical Bureau shows that by the end of last year, the wholly state-owned enterprises in the municipality have reduced by 991 in number compared with that in 1980.

In 1980, the wholly state-owned enterprises in the city were totally 3,164 in number. This figure was lowered to 2,173 by the end of 1993. According to the survey, the reduction of such enterprises is mainly a result of the fact that a large number of state-owned enterprises have been converted to Sino-foreign jointly-funded enterprises and enterprises jointly-funded by the state and the collectives. As of 1993, there were 1,247 foreign-funded enterprises and 1,260 enterprises jointly-funded by the state and collectives.

The reducing of such enterprises is resulted from the mixture of a huge amount of state capital with foreign capital and the collectively-owned capital. By the end of last year, of the total capital of the industrial enterprises in the city, the state-owned enterprises owned 70.5 percent, those run by domestic legal persons 9.7 percent and those funded by foreign businessmen 9.2 percent. The state-owned enterprises' capital, gross output, value of export, profits and tax still made up two thirds of the totals of such indicators in the city.

The survey also claims that the traditional statistical method fails to show the real situation which occurs after the economic system reform, presenting people a false impression that the state-owned enterprises are getting worse in their operation. The state should adopt the "proportional method" in the future, that is to say, it should be based on the state-owned capital of the state-owned and the legal person-run enterprises in a bid to reflect, in an overall way, the contribution made by the state-owned capital in economic development in the country. It is learnt that this survey report has received much attention from relevant departments of the central

government and the method used in this survey will be spread nationwide by the State Statistical Bureau next year.

Shanghai Firm Signs Production Contract With Scott Tissue

OW1508155894 Beijing XINHUA in English 1513 GMT 15 Aug 94

[Text] Shanghai, August 15 (XINHUA)—The U.S. Scott Company, the world's largest producer of hygienic tissues, has signed a contract with a Shanghai enterprise to jointly invest a total of 25 million U.S. dollars to produce high-quality tissues in this largest industrial city in China.

The joint venture, named the Scott Paper Shanghai Co. Ltd, will produce 14,000 tons of various kinds of tissues when it goes into operation in 1995.

With 56 percent of the investment coming from the American tissue giant, the joint venture will introduce advanced technology from Scott and produce various types of paper products for use in the home, hospitals and hotels.

With an annual sales volume of five billion U.S. dollars, Scott is the first multinational company in this field to set up business in China.

In a ceremony marking the establishment of the joint venture, Al Dunlap, president of the company, said that as a large country, China has great potential for a tissue market. He voiced determination to make the joint venture a vanguard in the Chinese market.

Shanghai Supports Suburban Agricultural Production

OW1508015894 Beijing XINHUA in English 0105 GMT 15 Aug 94

[Text] Shanghai, August 15 (XINHUA)—Shanghai has consolidated the economic strength of its suburban areas so as to ensure the steady supply of foodstuffs and vegetables to China's largest industrial metropolis.

By now, the majority of Shanghai's supply of fresh vegetables comes from its outskirts as most surrounding counties have greatly increased vegetable growing, which has resulted in substantial growth of the vegetable supply.

Meanwhile, the municipal government has supported rural areas in the development of township and service industries by investing in their infrastructure construction of highways, power stations and telecommunications and other projects like shopping centers, hospitals and schools.

In the first five months of this year, the municipality's township industry produced 11.09 billion yuan in sales

volume. Output value produced by the city's service industry makes up 28.5 percent of the city's gross domestic product.

Zhejiang Party Committee Holds Meeting on Building Militia

OW1408191094 Hangzhou ZHEJIANG RIBAO in Chinese 2 Aug 94 p 1

[By correspondents Bi Zhedong (3968 3181 2639) and Ye Jing (0673 5464) and reporter Liu Shanjing (0491 1472 7230): "Provincial Party Committee Holds Meeting in Hangzhou To Discuss Military Matters; Zhejiang's Party, Government, and Military Leaders Discuss Plans for the Building of National Defense Reserve Forces"]

[Text] Yesterday, the Zhejiang Provincial Party Committee [ZPPC] held a meeting in Hangzhou to discuss military matters on "August 1" Army Day. Provincial party, government, and military leaders gathered together to discuss plans for the building of national defense reserve forces in Zhejiang.

The meeting was chaired by ZPPC Deputy Secretary Liu Feng. First, Yang Shijie, Zhejiang Provincial Military District commander gave a briefing on Zhejiang's building of reserve forces over the past year. He said: In the past year, Zhejiang's party committees, governments, and military departments at all levels upheld Comrade Deng Xiaoping's concept of military strategy in the new period as their guidance, conscientiously studied and implemented the guidelines of relevant instructions given by the party Central Committee and the Central Military Commission [CMC], carried out their work in a down-to-earth manner, forged ahead with keen determination, boldly applied themselves, and, as a result, promoted the building of Zhejiang's reserve forces to a new level. Intensive education in national defense was conducted among all the people in all areas across the province; the masses' consciousness of national defense and supporting the Army was continuously enhanced; various reforms of militia work were further deepened; the activities to "attain three goals" were launched in depth and in a down-to-earth manner; the building of party committees of the people's armed forces departments and the building of grass-roots units of militia on reserve duty were consolidated and developed; marked successes were achieved in militia's military training, conscription, and weapons control; and gratifying progress was made by militia in participating in the building of two civilizations.

On behalf of the ZPPC and the provincial government, Wan Xueyuan extended holiday greetings and expressed sincere appreciation to all the officers and men of the Army, Navy, Air Force, and Armed Police Force units stationed in Zhejiang, to full-time cadres of the People's Armed Forces departments, and to the broad masses of militia reservists. In his speech, he fully affirmed the large amount of work done and the achievements scored

by Zhejiang's military departments at all levels in the building of militia units on reserve duty by persistently subordinating themselves to the overall situation of economic construction and to meeting the needs of national defense buildup and by implementing the policy on military strategy in the new period. He said: Strengthening the national defense buildup and the building of militia units on reserve duty under the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics has important strategic significance under the new situation of vigorously developing a socialist market economy. Party committees at all levels must strengthen leadership over the work of People's Armed Forces and correctly handle the relationship between economic construction and national defense buildup. They must conscientiously fulfill their duties of keeping the Armed Forces under the control by the party and they must exercise control over the general policy on militia units on reserve duty, the improvement of political qualifications of militiamen, the equipment for and training of cadres of the People's Armed Forces departments, the building of a contingent of full-time cadres of the People's Armed Forces departments, the coordinated development of the work of Armed Forces, and the actual solution of major problems in a bid to guarantee that the various missions entrusted by the party Central Committee and the CMC to Zhejiang are accomplished, that militia across the province effectively fulfill their duties of safeguarding coast defense as well as social stability, and that militia units obey the command of the party Central Committee and the CMC at all times.

In his speech, Liu Feng said: Zhejiang's party committees and governments at all levels must correct their thinking on work guidance; they must have a full and clear understanding that strengthening the national defense buildup is an important part of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, a strategic task that has a bearing on social stability and economic development, and an objective requirement arising from the special strategic position occupied by Zhejiang; they must practically straighten out the relationship between economic construction and national defense buildup; and they must, as always, show concern for and support the building of reserve forces and do what they can to really improve the work of the Armed Forces and solve problems, so as to enable a favorable atmosphere for exercising control over the Armed Forces and paying attention to the building of the Armed Forces. Meanwhile, they must have the characteristics of a socialist market economy in mind and work with military departments to conscientiously study the current new situation confronting the building of reserve forces and coordinate with them to solve new problems. The Army and local governments must make joint efforts, conscientiously pay attention to the successful implementation of various tasks, and further promote in-depth development of the building of national defense reserve forces in Zhejiang.

At the meeting, Chai Songyue, Lu Zhangong, and Liu Xirong delivered speeches on the building of Zhejiang's reserve forces. Wang Qichao, Liang Pingbo, Si Daxiao, Zhang Youyu [1728 0645 0151], Xu Xingguan, Long Anding, Xu Zhichun, Sun Jiaxian, Wang Changgui [3769 7022 6311], Yuan Xinghua, and Chen Lijiu [7115 4409 0036] attended the meeting.

Zhejiang Province Company Allegedly Mistreats Workers

Hangzhou Workers Report Practices

OW1208123294 Hangzhou ZHEJIANG RIBAO in Chinese 26 Jul 94 p 1

[Report by reporters Guo Qing (6753 1987) and Wang Ruilan (3769 3843 5695): "Dali Company Pays No Attention to Workers' Health and Forces Staff Members and Workers To Work Overtime and Extra Shifts; Reporters of This Paper Visited and Inspected That Enterprise and Were Frightened by What They Saw and Heard"]

[Text] ZHEJIANG RIBAO recently received a number of reports from staff members and workers at the Xihu Dali Garment Company, Ltd. joint venture in Hangzhou. Those reports pointed out that the plant refused, for no reason, to sign labor contracts with staff members and workers. It often uses strong measures to force staff members and workers to work overtime at night, to withhold the identification cards of peasant workers from other places, and to collect a deposit [ya jin 2131 6855] from them. Workers at the company seek the protection of their normal rights and benefits. Accordingly, reporters of this paper went to the company on the evening of 19 July to carry out an investigation.

We several times asked directions to get there, and we finally found the Dali Garment Company, Ltd. on Hangyin Road, near the Gongzhen Bridge. It was supper time. After learning our intention, those tired female and male workers surrounded us to speak about the unfair treatment they have received.

A female worker from Jiangxi Province said: "In June, I worked overtime until 2 A.M. for 20 days and worked until 11 P.M. for nine days. I did not enjoy a good rest for a single day in June. The subsidy for supper was only 1.5 yuan each night."

Another female worker, who refused to give her name, said: "I did not work overtime for two days because of illness, and the plant fined me 20 yuan. Many workers here have received such a fine."

Those workers from other locales were all very cautious about relating their problems because they were afraid of retaliation by the plant. They told reporters that the plant withheld their identification cards and collected a 200-yuan deposit from them when they started to work there. The plant has not signed labor contracts of any kind with the workers. The plant can fine or dismiss

workers at will. When some people wanted to quit their jobs because they could not stand this treatment, the plant would keep their cash deposit or even refuse to give them back their identification cards. According to the company's regulations, the monthly wage is paid on the 15th of the next month. Therefore, if a worker wants to quit his or her job, he or she won't be able to receive a half month's pay. [sentence as received] The workers said that in the first half of this year alone, some 200 workers quit and that the wages and cash deposits withheld by the plant amounted to tens of thousands of yuan.

It was getting dark, and some workers again had to return to the plant to work overtime. Following several female workers, we entered the plant stealthily. Those female workers stopped to look at a small blackboard in front of a workshop, on which the words "On 17 July, team Nos. 2, 3 and 4 of the tailoring and ironing workshop are required to work overtime" were clearly written. A man with a serious manner and a moustache oversaw workers' punching in their time cards. We looked inside and found that some 100 workers were busily working at the production line.

In an office next to the workshop, we found Lin Xianhong, an official of the Xihu Dali Garment Company. As for the problem that we raised of people working consecutive days of overtime, Lin Xianhong had his explanations. He said: The garment industry has a strong seasonal nature. When orders were received, sometimes we had to work several days and nights and could hardly finish the job, and when business was slow, workers might have nothing to do for a whole week. Therefore, working extra shifts and overtime is unavoidable. He also admitted that workers had worked a lot of overtime during June. However, his story differed from those of the workers. Lin Xianhong told us: All overtime work at the plant is on a voluntary basis. If anyone does not want to work overtime, he or she only has to notify us. We never take any forcible measure. He said: Since the beginning of July, we have not been too busy, and thus the plant in the main has not made arrangements for people to work overtime. We then pointed to those workers who were working on the other side of the window and asked him whether they were working overtime. He was in an awkward position, but he said that those workers had come to work overtime voluntarily.

We asked him: What are the benefits of workers' working overtime? Lin Xianhong said: Our company follows the system of calculating wages based on the amount of work. The workers can earn more if they work harder. Overtime work includes a 20-percent premium. However, we [correspondents] understand that the state has clearly stipulated that units must not pay less than 150 to 200 percent of the basic wage for overtime work. The Dali Company has thus severely underpaid workers compared to the state regulation. Although he said that the company pays a 20-percent premium for overtime

work, those female workers told us that they did not receive such a premium. However, Lin Xianhong insisted that his company's remuneration and working conditions are relatively good compared to enterprises in this field. He said that the plant retained workers' identification cards for ease in registering workers' temporary households and that cash deposits were collected to prevent workers from stealing things. When we asked him if he knew that the state has regulations stipulating that enterprises are forbidden from withholding identification cards or from collecting cash deposits from staff members and workers, he shook his head to indicate that he did not know this, and he said that joint ventures were all operating in this way.

Company Rectifies Mistreatment

OW1208130294 Hangzhou ZHEJIANG RIBAO in Chinese 30 Jul 94 p 1

[Report by reporters Guo Qing (6753 1987) and Wang Ruilan (3769 3843 5695) and correspondent Shen Jianliang (3088 1696 4731): "Dali Company Earnestly Corrects Its Illegal Action"]

[Text] The report published by this newspaper on 26 July concerning the Dali Company's forcing staff members and workers to work overtime in disregard of their health has attracted the attention of the relevant departments of Hangzhou's Xihu District, as well as the party committee and government of Xiangfu town, where the company is located. The district and town leaders, together with company cadres, have formulated measures to correct the problems exposed by this newspaper.

Yesterday, these reporters again visited the company to take a look at the situation there. It was near noon. Some workers had already arrived at the cafeteria and were sitting at a dining table. They told us that they worked less overtime now and that the company's management had returned their identification cards which had been taken and kept from them.

After this newspaper published the report on 26 July criticizing the company's illegal action against its staff members and workers, leaders of Xihu District immediately asked the departments concerned and Xiangfu town to take the matter seriously and to dispatch personnel to resolve it. On the afternoon of the same day, leaders of the district's Foreign Trade Bureau and the town party committee and government went to the company to learn about the situation there. They studied the problems with General Manager Qu Xiaoshan. The next day, the company held a meeting of managerial personnel to earnestly study state laws, regulations, and policies related to labor protection. The company indicated its earnest acceptance of the newspaper's criticism and asked all of its managerial personnel to find out where they fell short, to make suggestions to help the company carry out rectification and reorganization, and to take the lead in implementing state laws and regulations.

Jin Zaiyou, the company's deputy general manager, told us that they have negotiated with the Hong Kong [parent] company to reduce unnecessary overtime. The company also faxed a copy of the report to the Hong Kong company, which expressed its full understanding and pledged to reduce overtime through balanced production. The Hong Kong company also expressed its intention to send samples and reference materials by air instead of by train to give the plant more time to work on them. At a meeting of middle management, some cadres also suggested ways to improve the day shift's work efficiency and to avoid production interruptions to reduce overtime during the night shift. The company pledged to work hard to make its production more scientific and rational and to keep the monthly overtime work within the limit prescribed by the state. It also said that when overtime is required to meet emergency needs, it will consult with the staff members and workers first and will adhere to the voluntary principle to truly protect their legitimate rights.

Qu Xiaoshan told us that the newspaper's criticism sounded the alarm for the company and that the company was taking steps to correct the problems one by one. He told us that the company had returned to the workers their identification cards, which were taken from them and kept by the company. The company will shortly send all the labor contracts of its formal staff members and workers to the district labor bureau to validate them. The formation of a trade union has also been placed on the company's agenda.

Central-South Region

Guangdong Seeks Means To Surmount Shortage of Capital

HK1508153794 Beijing ZHONGGUO XINWEN SHE in English 1352 GMT 15 Aug 94

[Text] Guangzhou, 15 Aug (ZHONGGUO XINWEN SHE)—Guangdong Province is in a critical state that the business sector is suffering from shortage of capital.

A report released by provincial departments concerned shows that judging from the proportion of the industrial output value to loans as flowing capital, such working capital required by enterprises is apparently inadequate which has registered a continuous decline starting from last year. The industrial output value in the city increased by RMB [renminbi] 100 million in 1990 while loans given to its enterprises valued at RMB 30 million. Such loans, however, reduced to 13 million last year and to RMB seven million in the first half of this year.

The province has become a popular place for domestic and foreign investment in recent years with a strong capital market in place which helped industry and commerce in the province increase their competitiveness in the domestic and foreign market because of a relatively easy access to capital. As the macroeconomic regulation policy was implemented which led to short supply of

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money [sentence as received]. Especially since last March when strict restrictions were imposed on issuance of bank loans, the originally relax supply of capital has begun to be in a tense state. The situation of capital supply has further worsened since last June.

Experts were convinced that the increasingly tense state of capital was closely related to the tightening of the credit policy in the country while enterprises themselves were also the source of the problem. Loans as capital for investment in real estate took the lion's share of the gross capital in spite of the fact that it registered a drop to some extent. Enterprises put their emphasis on fixed asset investment and neglected accumulation of flowing capital. In some cases the input of capital into fixed asset investment even came from the flowing capital. Some enterprises tended to invest in items of high risk and high return. A rush of investment in these items resulted in the supply exceeding the demand. Investment could not be recovered as a result.

The fixed asset investment rose by 58 percentage points in Guangdong last year and by 33 percent in the first half of this year. Sources from the sector said that shortage of capital might bring at least three problems to the economy of the province.

First, enterprises surely met difficulties in their running. An official from the Guangdong Economic Commission said that bank loans for industry as flowing capital in the first half of this year was RMB 1.6 billion down from the same period last year. The industrial growth across the province reduced to 22 percentage points from an average gain of 35 percentage points last year.

Second, capital for key items could not be in place on time which in turn had ill effects on economic results from such investment. Shortage of capital for key items undertaken in Guangdong was so serious in the first half of this year and the actual input of capital dropped by 2.1 percentage points over the same period last year with Guangzhou showing the most serious situation in this regard.

Third, banks underwent difficulties in the capital turnover and great pressure on taking deposits.

The Guangdong authorities strengthened the check on the unauthorized fund-raising in the first half of the year which was considered an important part of a drive to correct the financial disorder. As the shortage of capital was quite serious, the unauthorized capital collection tended to be out of control which showed a surprisingly high return rate in a bid to attract as much as capital. A commercial entity from Yingde City came to the Guangdong Polytechnic College to collect capital with an offer of annual interest rate of 22 percent while a bank in Panyu City came to the Zhongshan University in Guangzhou to raise fund with an offer of interest rate of 30 percent.

Guangzhou Increases Amount of Capital Actually Utilized

HK1508095694 Beijing ZHONGGUO XINWEN SHE in English 0911 GMT 15 Aug 94

[Text] Guangzhou, 15 Aug (ZHONGGUO XINWEN SHE)—Guangzhou's actual utilization of foreign capital has increased rapidly since early this year. From January to July, the municipality actually utilized foreign capital of U.S.\$1.2 billion, a 1.07 times increase than the same period last year, which made the highest record in the corresponding period in history.

It was said that in the first half of this year foreign investment in Guangzhou municipality had the following characteristics.

1. Foreign businessmen were active in direct investment. They continued to believe that Guangzhou's investment environment was good. Thus from January to July this year more than 1,100 contracts were signed for direct utilization of foreign investment and the contracted foreign capital reached U.S.\$ 5 billion. Several powerful transnational companies and large enterprises, such as Amway of America, Hutchison Whampoa, Cheung Kong, Wheelock and Nam Fong International Investment Ltd. of Hong Kong, as well as large property companies of Canada, all went to have long-term investment in Guangzhou by signing contracts each worth more than U.S.\$10 million.

2. The scale of foreign investment is large and quality of projects have been improved. In the first half year, the average utilization of foreign capital in direct investment for each project was U.S.\$6 million. The projects were mainly in the fields of machinery production, basic facilities for communications, power supply, real estate, tourism and commerce, etc. At a recent exchange meeting held in the United States, a number of contracts of high technology projects were signed, including magnetic card system for transport, light track railway, telecommunications facilities, etc.

3. More and more foreign investors came to invest in Guangzhou. In the first half year enterprises having direct investment in Guangzhou were from 23 countries and regions instead of 18 of last year. There were seven countries and regions with an average contracted foreign capital exceeding U.S.\$ 40 million, namely, Hong Kong, Macao, Taiwan, Japan, Singapore, Britain and America. Besides, in the first half year, trade delegations of Switzerland, Finland, Germany, Australia, etc. as well as representatives of transnational companies like BC Company of America, Mitsubishi Co. Ltd. of Japan and CNIM [expansion unknown] Company of France all came to Guangzhou for an exploration visit.

Guangzhou Establishes Trade Centers in New York, Sydney

HK1508135394 Beijing ZHONGGUO XINWEN SHE in English 1052 GMT 15 Aug 94

[Text] Guangzhou, 15 Aug (ZHONGGUO XINWEN SHE)—Guangzhou Municipality has set up its business

centres in many of the major cities in the world in a bid to display and sell its products. At the same time, they function as a bridge to link Guangzhou with outside world and to introduce foreign investment into the city.

The Guangzhou Trade Centre in the Wall Street at Manhattant district in New York opened last June. Discussion on setting up another outlet under the same name in Sydney is now underway.

In addition, to follow up discussions at the economic and trade negotiations held in American in the first half of this year, the municipality has been speeding up the establishment of the Municipal Bureau for Foreign Investment, which will set up its representative offices abroad.

To further expand its scope for utilization of foreign capital, the municipal government has decided to open its primary, secondary and tertiary industries to the outside world in an all round way. The municipality tries to introduce more foreign investment for the development of communications, energy, raw material, high-tech, real estate, commercial services as well as the upgrading of old enterprises, transformation of old parts of the city, development of the international comprehensive development zone in southeast Guangdong and the New Pearl River City, etc.

In the latter half of this year, Guangdong will expand its foreign economic and trade cooperation and exchanges from the original regions such as Hong Kong and Macao to various foreign countries. Light industry, textile industry, machinery and electric industry, real estate, communications and energy are the key areas for such cooperation and exchanges with countries like the United States, Japan, Germany, etc.

Highways in Guangdong Province Reach Most Mountainous Areas

OW1308032394 Beijing XINHUA in English 0212
GMT 13 Aug 94

[Text] Guangzhou, August 13 (XINHUA)—South China's Guangdong Province has accelerated its construction of highways in mountainous areas in recent years.

All county seats and towns in the area will be able to be reached by trucks by the end of this year, local officials said.

The provincial government has made the construction of highways a major step for the development of mountainous areas. Rules and regulations have been made to ensure the funding and managing of mountainous highway. Funds allocated by the provincial government have been concentrated on several poorest counties.

Since 1991 the province has poured 1.2 billion yuan (about 138 million U.S. dollars) into building highways in mountainous areas and 5,765 km new highway has

been built. Now 969 mountainous townships or 99.8 percent of the total can be reached via these highways.

Urban Environmental Quality Improving in Guangdong

OW1308133894 Beijing XINHUA in English 1257
GMT 13 Aug 94

[Text] Guangzhou, August 13 (XINHUA)—The urban environmental quality in south China's Guangdong Province has greatly been improved thanks to the continuous efforts to step up legislations on environmental protection.

Reports from the provincial environmental protection department show that the comprehensive assessment results of 20 environmental factors got an average of 69.4 points, 6.5 percentage points higher than that three years ago.

The improvement in the environmental quality is attributable to the efforts of perfecting the legal system concerning environmental protection.

All the cities in the province have formulated their local regulations in line with the national environmental law.

The provincial government moved in 1992 to tighten the checking of the urban environmental quality, pollution treatment and infrastructural construction and the results were published in order to put the work of environmental protection under the supervision of the broad masses.

The government has also invested heavily in large-scaled urban gas supply systems.

Industrial pollution has now been brought under control in the province. About 82.5 percent of the heavy-metal waste water treated have reached the state set standards in Shenzhen.

Survey Shows Increasing Level of Pollution in Guangdong

HK1508031794 Hong Kong SOUTH CHINA
MORNING POST in English 15 Aug 94 p 8

[By Chan Wai-fong, recently in Guangzhou]

[Text] Environmental conditions in China's fastest growing province of Guangdong have been gradually deteriorating as industrialisation and urbanisation reach top gear, a senior official in the province's Government says. "Population has increased so fast that it has exerted tremendous pressure on our environment. The situation is slowly deteriorating," said Li Zhiyian, vice-chairman of Guangdong's Environmental Protection Bureau.

In Guangzhou last year sulphur dioxide, a major pollutant of the atmosphere exceeded 0.032 milligrams per cubic metre, Mr Li said. "Big coal-fire electricity plants are the major sulphur dioxide polluters. But it takes too

long to build nuclear plants and there is not enough water for hydro-electric plants," he argued.

With intense emissions of sulphur dioxide and carbon monoxide (also emitted in the combustion of coal and oil), acid rain had become a major headache in the province, Mr Li said. Fifty per cent of rain in the province was acidic in varying degrees, damaging buildings, crops and other living organisms in the province, he said. It was also discovered that nitrogen oxide in the atmosphere was increasing. "Exhaust fumes have become a big public evil in the cities," Mr Li said. An official survey in Guangzhou found that the number of traffic police suffering from carbon monoxide poisoning had increased. Visibility in the city was low due to the high concentration of particles in the air, Mr Li said. "It is always grim and dusky so that the chances of seeing a blue sky is really dim."

Last year, the Pearl River Delta district was found to have a record 9.05 tonnes of dust per cubic metre a month, Mr Li said. "The government standard is no more than eight tonnes per cubic metre. But in some areas, it goes as high as 14 tonnes per cubic metre," he added. "It has everything to do with large-scale construction works where mountains were blasted for new roads and buildings. We have to bear with this for a few more years because construction for an infrastructure has yet to be completed."

Water conditions in big rivers were "all right", Mr Li said, but sections passing through urban areas were deteriorating because of untreated sewage running into the river. While claiming that environmental conditions in past years were "basically" good with 53 per cent of the province forested and more than half of the 32 rivers in the province still clean enough to provide drinking water, the official admitted that a lack of investment had made environmental protection lag behind economic development and population growth. "This is why we find ourselves so helpless, failing to put pollution under control," he said.

Last year, 0.75 per cent of Guangdong's gross domestic product was earmarked for environmental protection. Mr Li said the figure would be increased to one to two per cent in the year 2000.

Shenzhen Mayor Stresses Improving Environmental Protection

HK1308063394 Beijing ZHONGGUO XINWEN SHE in English 1243 GMT 12 Aug 94

[Text] Shenzhen, 12 Aug (ZHONGGUO XINWEN SHE)—Shenzhen Mayor Li Youwei, speaking at a closing meeting on environmental protection, warned that the environmental quality seen in this municipality was worsening and consequences would be very serious should no determination be made to tackle the problem.

Shenzhen once occupied the third place among cities with a score of 75.42 in an appraisal event on comprehensive harnessing of environment held in 1992 in

which 37 main cities took part. An examination carried out by the municipality itself last year showed a similar result as in 1992, meaning better environmental quality seen in Shenzhen when compared with other economically developed cities in northern China.

As time goes on, the environmental condition takes a downturn and a number of environmental problems surfaced, including threat of contamination to drinkable water sources, the blackening of ground water with odd smell, a soaring amount of nitrogen oxide compounds in the atmosphere, serious noise pollution in urban area, problems of disposal of trash and hazardous material, especially in Nanshan, Baoan and Longgang districts, and serious soil erosion as a result of massive land exploitation.

There are so many difficulties when a solution to such problems is looked for. First, economic development at a rapid pace brought much more difficulty to environmental protection. Second, awareness of environmental protection held by some departments especially by the grass-root leading cadres is rather weak, while some of them even allowed wrongdoing in violation of environmental protection laws and gave shelter to offenders. Third, input of capital was not enough for facilities for environmental protection, which lagged far behind economic development.

Mr. Li, being director of the environmental protection commission on a concurrent basis, stressed that all departments had to pay much attention to protection of water sources. He added that factories which caused pollution had to be removed from the area in which water sources were under protection. Time limit had to be set for the tackling of soil erosion, which was an outcome of blind exploitation of land. Mr. Li said that land development was in no way allowed at the cost of natural environment.

The Shenzhen Intermediate People's Court at the request of the Bureau of Environmental Protection dealt with 13 enterprises which were found guilty of violation of environmental protection and received punishment.

Guangxi Sets Up State, Local Taxation Bureaus

HK1508062094 Nanning Guangxi People's Radio Network in Mandarin 1130 GMT 12 Aug 94

[Text] On the afternoon of 12 August, the State Taxation Bureau and the Local Taxation Bureau of the Guangxi Zhuang Nationality Autonomous Region were officially set up. An inaugural ceremony was held to announce the beginning of their activities. Chairman Cheng Kejie and Vice Chairman Yuan Zhengzhong of the regional government; Ma Qingsheng, standing committee member of the provincial party committee and director of the organizational department; and responsible people of the relevant departments attended the ceremony to extend congratulations. The State General Administration of Taxation sent a congratulatory telegram to

Guangxi, expressing warm congratulations to Guangxi for setting up the two taxation organs on time.

The establishment of the two taxation organs was an important policy decision made by the party's central leading body and the State Council, and an important component part of the financial structural reform, as well as an important organizational guarantee for the implementation of the new taxation system. The measure is of great significance for the establishment of the central and local taxation systems, for guaranteeing the stable increase of the state's tax revenue, for strengthening macroeconomic regulation and control, and for accelerating the process of establishing the socialist market economy.

Song Xihua, director of the Guangxi State Taxation Bureau, and She Guoqing, director of the Guangxi Local Taxation Bureau, said in their inaugural speeches that they certainly will take overall interests and the overall situation into account, and will cooperate and work together with one heart and one mind in handling tax affairs.

It has been learned that after the organs for the tax-division system are set up at the regional level, similar organs also will be set up by the end of October at the prefectural and city level, and by the end of the year they will be set up at the county level.

Guangxi Border City Speeds Up Economic Development

OW1608051894 Beijing XINHUA in English 0307
GMT 16 Aug 94

[Text] Nanning, August 16 (XINHUA)—Pingxiang city near the Chinese-Vietnamese border in Guangxi Zhuang Autonomous Region is now the scene of lively economic activity.

The city has turned into a hub of international trade since relations between China and Vietnam were normalized in the late 1980's.

The city has reported a GDP of nearly 300 million yuan (34.2 million U.S. dollars) last year, four times that of 1980.

The State Council declared Pingxiang an open-border city in June 1992. The city was also given permission to establish a 7.2 sq km trans-border economic cooperation zone.

The city government has licensed 28 overseas-funded enterprises involving more than 60 million U.S. dollars, according to Mayor Wu Shuxing.

She said the output value in the service industry accounted for 52 percent of last year's GDP, which averaged 3,239 yuan per capita, a 125 percent rise from that of 1991.

In the past two years the city has launched 106 investment projects in forms of fixed assets involving 320 million yuan, including 71 infrastructural projects.

Liang Yuxiang, the city's party secretary, noted that 270 million yuan has been injected into infrastructural construction over the last two years, 5.5 times the amount ever spent in the past four decades.

There are now 3,200 digital program-controlled telephone lines and mobile cellular phones and pagers in the city. A waterworks with a daily capacity of 60,000 tons has been completed.

Last year saw the city's trans-border trade volume reach 780 million yuan up 360 million yuan over that of 1991.

So far, statistics show that the city receives more than 10,000 tourists and business people every day.

Hainan Governor Interviewed by NIHON KEIZAI SHIMBUN

HK1608062594 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 13 Aug 94

[Text] On the morning of 13 August, Hainan Governor Ruan Chongwu was interviewed in his office by Eiji Sato, director of the Shanghai resident office of Japan's NIHON KEIZAI SHIMBUN. In the interview, the governor answered the journalist's questions about Hainan's economic development situation, the condition of the inflow of international capital into Hainan, and the future prospects and plans for Hainan's development. NIHON KEIZAI SHIMBUN is one of the four leading national newspapers in Japan, and its daily circulation exceeds 3.8 million copies; it is a rather influential newspaper.

In the interview, Ruan Chongwu gave a briefing on this province's economic development, the construction of infrastructure facilities, the development of real estate projects, the introduction of foreign funds, and future development plans. He welcomed the Japanese journalists' visits, and emphasized the need to increase mutual exchanges. He also expressed gratitude to the Japanese journalistic circles for their interest in publicizing Hainan.

Hainan Governor Leads Delegation to Malaysia, Indonesia

HK1608012694 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 14 Aug 94

[Text] A seven-member Hainan Provincial Government delegation headed by Governor Ruan Chongwu left Haikou by plane on the afternoon of 14 August to visit Malaysia and Indonesia. Provincial leaders Du Qinglin; Wang Xiaofeng; Wang Zhijun; Qu Zhongxin, secretary general of the provincial government; and Haikou Mayor Zeng Haorong went to the airport to see the delegation off.

The delegation made the visit at the invitation of Malaysian Transport Minister Ling Liong Sik, [name indistinct], a provincial governor of Indonesia, and (Shikandani), chairman of the Indonesian-Chinese Economic, Social, and Cultural Cooperation Association. The visit's main purpose is to inspect the tourist industry in the two countries and promote friendly and cooperative relationships between Hainan and the two countries. The provincial government delegation was joined by a 12-member delegation of Hainan entrepreneurs, which will assist the government delegation in promoting Hainan's economic and trade relations with the two countries.

Authorities Reject Hainan Plan To Become Free Port

HK1508153994 Hong Kong LIEN IHO PAO in Chinese 29 Jul 94 p 22

[Report from Hong Kong by reporter Wang Man-na (3769 2581 1226): "Hainan's Plan to Become a Free Port Has Been Shattered Because Sovereignty Over Hong Kong and Macao Has Not Been Recovered"]

[Text] Recently, when Hainan Province longed to turn itself into a free port like Hong Kong, the relevant department in the central authorities warned Hainan and said it is not allowed to talk about the issue of building itself into a free port to the outside world any further, thus smashing the free port blueprint that has been under deliberation.

According to the information given to this newspaper by some Hainan provincial officials, some officials on the mainland think that, if a free port is established with the mainland borders before sovereignty over Hong Kong, Macao, and Taiwan has been recovered, it could affect the smooth transfer of sovereignty over Hong Kong and Macao. In order to emphasize the policy of "one country, two systems" for Hong Kong and Macao, the relevant department on the mainland does not want to see a free port-type economic zone on the mainland before 1999.

According to the information, when Hainan established itself as a province in 1988, it asked the central authorities to give it a free trade port policy resembling that of Hong Kong, but the plan was later shelved due to the "car scandal" and the "4 June incident." In recent years, however, Hainan Province began to mention the free port plan once again, and its slogan was "opening the first line, closing the second line." The first line means the boundary between Hainan Island and the international community, and the second line refers to the boundary between Hainan Island and the mainland. When foreign cosmetics are imported to Hainan, they are free of tariffs, but when they are shipped from the island to other provinces and cities on the mainland, they are considered imports and must pay tariffs. By the same token, when exports enter Hainan Island, they are considered exported and thus require a permit.

Recently a number of officials from the Hainan provincial party committee and government have openly stressed the need to systematically create the necessary conditions to enable Hainan to become another free port-type economic zone after Hong Kong and Taiwan and to unite Hainan's economy with the economies of Hong Kong, Macao, and Taiwan.

According to Hainan's officials, the relevant department under the State Council recently warned Hainan Province and asked it not to mention the issue of a free port any more, because at the current stage it is impossible to build a free port on the mainland, the reason being that, first, sovereignty over Hong Kong and Macao has not been recovered, and, second, if the local authorities practice a free port policy, it will weaken the control of the central authorities. Therefore, the department does not want to hear any more demands from the localities for becoming a free port.

On the mainland, in addition to Hainan Province, Shenzhen and Xiamen have also applied to become free ports, but the mainland authorities have not approved such a policy for any localities, and they have secured bonded zones instead.

According to the officials in Hainan Province, a bonded zone and a free port are completely two different things, for the function of a bonded zone is to import the raw materials needed for processing within the zone and to serve as bond for entrepot trade within the zone—which is only 2 square km in size and cannot offer a great deal of help to economic development in the locality. A free port can practice a laissez-faire policy similar to the one in Hong Kong, waiving all the tariffs on import, export and entrepot trade.

Hainan Attracts Increased Foreign Investment

OW1408031694 Beijing XINHUA in English 0217 GMT 14 Aug 94

[Text] Haikou, August 14 (XINHUA)—South China's island province of Hainan, China's largest special economic zone, has been using more and more overseas investment since 1988.

Statistics show that by June this year overseas investors from 54 countries and regions worldwide had established in the province 6,951 wholly-owned or joint ventures, involving 8.55 billion U.S. dollars in contracted investment from them. Some 2.14 billion U.S. dollars had been actually used.

Provincial officials said that last year was most remarkable as the province approved more than 3,000 overseas-funded enterprises, which involved 4.2 billion U.S. dollars in overseas investment. The average amount of overseas investment involved in an overseas-funded project set up in the first six months of this year reached 1.94 million U.S. dollars, up 55 percent over the same period of last year.

Direct overseas investment in the province from January to June totalled some 769 million U.S. dollars, or 2.2 times that of the same period last year.

The construction of eight of the 10 key projects using overseas funds has started and a further 16 projects will be supported by two billion U.S. dollars in foreign funds, official sources said.

While foreign capital keeps pouring in, Hainan revoked the licences of 22 foreign-funded enterprises and punished another four for their illegal practices such as tax evasion and violations of contracts and the Labor Law on the part of foreign investors.

The measures have effectively curbed tax evasion and ensured that workers' legal rights and interests are well protected, officials said.

Hainan Capital's Real Estate Market 'Maturing Well'

OW1508022494 Beijing XINHUA in English 0124 GMT 15 Aug 94

[Text] Haikou, August 15 (XINHUA)—The real estate market in this capital city of south China's Hainan Province is maturing well after several years of development.

Since the province was appointed a special economic development zone in 1988, Haikou's original land allocation system without cost and use time limit has been evolving into a system based on the sales of land use rights with time limits.

During the past six years, the city has been expanded by 15 square kilometers and its six development areas are nearing completion.

From May 1988 to May 1994, the use rights of a total of about 1,504 ha [hectares] of land have been sold and about 587 ha of land has been transferred.

In this regard, about 1.568 billion yuan (about 182 million U.S. dollars) was levied including a billion yuan last year.

Now the real estate industry has surged to the top of the city's basic industries and become a major channel for the city's pooling of capital for further development.

After adjusting land use prices three times, the city adopted a series of measures to govern its real estate market concerning land development, sales, transfer, public bidding, auction and development area management.

The city also set up a computer network to strengthen its administration over land development and a service system to assist with the real estate market.

Hainan Accelerates Construction of Highway Network

OW1308112194 Beijing XINHUA in English 1113 GMT 13 Aug 94

[Text] Haikou, August 13 (XINHUA)—Hainan Province, China's largest special economic zone, has formulated a 15-year plan for the construction of a highway network on Hainan Island.

Before Hainan became China's 30th province in 1988, the southern island was an agricultural region with poor quality roads.

In recent years, the province has made the development of the island's highways a top priority. The provincial government has put 3.1 billion yuan towards highway construction projects.

Last year, a total of 129 kilometers of expressways were constructed and 205 kilometers of existing roads were upgraded.

Wang Xiaofeng, deputy governor of Hainan Province, said that to promote local economic development, the provincial government has set an objective for highway construction for the next 15 years.

Hainan will construct an express highway to run through from the north of the island to the south and a high-grade highway to run through from east to west.

In the next two years, Hainan will complete an express highway, called the Eastern Haiyu Expressway. It will extend from the province's capital, Haikou, to Sanya city.

By the end of next year, six highways totalling 315 kilometers will be upgraded.

By the year of 2000, a number of expressway projects will be completed, including the 375 kilometer Western Haiyu Expressway, and the 11.74 kilometer expressway from Haikou to Meilan Airport.

Key Construction Projects Underway in Hainan

OW1308101294 Beijing XINHUA in English 0944 GMT 13 Aug 94

[Text] Haikou, August 13 (XINHUA)—Hainan, China's largest special economic zone, has started the construction of 11 key projects in an attempt to increase its overall economic strength.

The projects have already drawn 200 million U.S. dollars in overseas investment and 150 million yuan from other parts of China. They will be followed by more projects.

The most important one is a foreign-funded oil refinery with an annual capacity of six million. Construction sub-projects for the refinery include a power plant with an installed capacity of 300,000 kw, a seaport which can handle 30.47 million tons of cargo and an oil tank as well as water supply and accommodation facilities.

Other projects include a cement plant with an annual capacity of 500,000 tons, a cold-rolling sheet metal plant with 100,000 tons in annual capacity and a comprehensive agriculture development project, infrastructure projects in the Yangpu Economic Development Zone, a hotel in Sanya city in southern Hainan.

Most projects are now in progress. An investment of two billion U.S. dollars is in place. An overseas investor is interested in a harbor comprehensive development project. Agreement on the construction of a modern airport has been signed; a fiberboard plant with an investment of 30 million U.S. dollars from a Singaporean investor has already started.

Southwest Region

Chongqing To Improve Investment Environment

OW1508131194 Beijing XINHUA in English 1301
GMT 15 Aug 94

[Text] Chongqing, August 15 (XINHUA)—Chongqing, a leading industrial city in southwest China, has drafted new measures to improve its investment environment and promote its opening to the outside world.

Local officials said that a committee headed by Mayor Liu Zhizhong has been organized for this purpose. It will be mainly responsible for drafting and implementing policies concerning foreign investment, and organizing trade and negotiation activities.

A public telephone network will be set up for foreign businessmen to submit their complaints to the city government and related departments.

Regulations will be drawn up to improve the working efficiency of the local government in handling foreign investment projects.

Construction of the Chongqing economic and technological development zone and the Chongqing high technology development zone will be speeded up and various measures will be adopted to introduce foreign funds to the zones.

A bank specializing in the introduction of foreign funds will be set up.

Located on the upper reaches of the Chang Jiang river, Chongqing is an important port city combining water, land and air transportation facilities.

Local sources said that in the past two years the city's foreign trade was valued at 1.95 billion U.S. dollars, and more than 1,100 overseas-funded enterprises were set up.

The new measures will help push the city's managerial system toward international practices, in a bid to create a high-efficiency, as well as a pleasant working and living environment for foreign businessmen.

Sichuan Sets Up State, Local Taxation Bureaus

HK1508055594 Chengdu Sichuan People's Radio
Network in Mandarin 2300 GMT 11 Aug 94

[Text] The provincial government yesterday held a meeting in (Heyang) on the establishment of two taxation bureaus. At the meeting, the work in this regard was arranged. (Hu Haixin), deputy secretary of the provincial party committee and vice governor of the province, announced the namelist of leading members of the province's state taxation bureau and its local taxation bureau. These leading members are: (He Mingang), director of the Sichuan State Taxation Bureau; (Ke Yuxiang), (Yang Bozhi), and (Pan Li), deputy directors of the Sichuan State Taxation Bureau; (Li Dachang), director of the Sichuan Local Taxation Bureau; (Zhan Dingwei), (Shi Enxiang), (Shan Chenguang), and (Gao Renquan), deputy directors of the Sichuan Local Taxation Bureau.

At the meeting, Hu Haixin pointed out: The establishment of these two taxation organs is an important decision made by the party central leadership and the State Council. This is an important organizational guarantee for the implementation of the tax-division system, the new financial management system, and the new taxation system. At present, preparations for the establishment of the two taxation organs in this province have been basically completed. The work has entered the stage of setting up such organs in all localities and at all levels. He required local party committees and governments and the departments concerned, especially the financial and taxation organs, to make careful and well-coordinated arrangements in the process of establishing the new taxation institutions, thus fulfilling the tasks of establishing the institutions, implementing the taxation reform measures, and ensuring tax revenue.

(He Mingang), director of the provincial state taxation bureau, and (Li Dachang), director of the provincial finance department and concurrently director of the provincial local taxation bureau, gave briefings and explanations regarding the situation of preparations for the establishment of the two institutions, and some relevant issues in the work program for the establishment of these institutions. They also put forward concrete requirements for the work of establishing the taxation institutions. Both the state and local taxation bureaus are first-level provincial departments, and are subject to the unified leadership of the State General Administration of Taxation. The provincial local taxation bureau is subject to the dual leadership of the State General Administration of Taxation and the provincial government, and is guided mainly by the provincial government. The meeting required that various localities set up their state taxation bureaus and put them into operation as soon as possible; the local taxation bureaus at all levels should be set up by the end of September. As of 1 October, the parallel operation of the two taxation bureaus will begin.

Sichuan To Spend 100 Billion Yuan on Energy Projects

HK1208143994 Hong Kong LIEN HO PAO in Chinese 27 Jul 94 p 22

["Special dispatch": "Sichuan To Invest 100 Billion Yuan in Power Plant Construction, Oil and Gas Exploitation"]

[Text] Chengdu, 26 Jul (LIEN HO PAO)—As disclosed by an authoritative person in Sichuan, during the "eighth and ninth five-year plans" (the former from 1991 to 1995 and the latter 1996 to 2000), Sichuan will invest 100 billion yuan in the construction of large power stations, and natural gas and petroleum projects. The power plants under construction are: The Ertan power plant, the Tongzijie power plant, the Baozhusi power plant, the Huaneng Taipingyi hydropower plant, the Huaneng Dongxiguan hydropower plant, the Huangjuezhuan thermal power plant, and the Neijiang thermal power plant, while the Baima power plant and the Chongqing power plant are undergoing technical transformation. All these projects require an investment of 9 billion yuan. Most of these power plants, which will increase generating capacity by 6.5 million kilowatts, will go into operation this year and next.

The power plants on which construction is to be started are: The Pubugou hydropower plant, the Zipingpu hydropower plant, the Pengshui hydropower plant, the Nanya He terraced hydropower plant, the Guangan power plant, the power plant near the Junlian coal mine, and the Huangjuezhuan power plant phase two, while the Chengdu power plant will undergo technical transformation. All these projects will cost 40 billion yuan.

Major natural gas projects will be launched as well. The World Bank has provided \$255 million in loans and \$10 million in grants for the Sichuan natural gas exploitation and energy-saving projects. This project includes the development of 13 gas fields in Chuanle, together with the appraisal of the gas structure of these gas fields, as well the natural gas projects in Moxi and Bajiaochang, in central Sichuan. In addition, the Deyang Xinchang gas field project also was made one of the province's listed items for 1994.

In another development, a 1,000-km petroleum pipeline will be laid to deliver petroleum from Xinjiang to Sichuan, and a large refinery will be built. These two projects will involve investment of several billion yuan.

Danzim Speaks at Lhasa Banquet for Macao Visitors

OW1608084094 Lhasa XIZANG RIBAO in Chinese 5 Aug 94 p 1

["Macao Goodwill Delegation for Visit to Tibet Arrives in Lhasa"]

[Excerpts] A 25-member goodwill delegation to Tibet, with Hu Shunqian as leader and Qu Zhizhong and Lu

Chang as deputy leaders ((names as transliterated)), arrived at Lhasa in the morning of 3 August. [passage omitted]

In the morning of 3 August, the Tibet Autonomous Regional Association for Cultural Exchange With Foreign Countries [TARACEFC] hosted a solemn welcoming ceremony at the Lhasa Holiday Inn. Cedain Zhoima, vice chairman of the autonomous regional committee of the Chinese People's Political Consultative Conference, and others greeted Macao visitors at the airport. Danzim, deputy secretary of the Tibet Autonomous Regional Party Committee [TARPC] and TARACEFC president; Chen Hanchang, standing committee member of the TARPC and vice president of TARACEFC; and persons in charge of relevant departments greeted visitors at the hotel.

At 1800 local time, Tibet's party and government leaders Raidi, Basang, Danzim, Chen Hanchang, Puqung, Lhamin Soinam Lhunzhub, and Cedain Zhoima met with all the members of the Macao goodwill delegation at the Holiday Inn. [passage omitted] Comrade Danzim delivered a speech at the banquet. He said: At present, the people of various nationalities in Tibet are implementing the guidelines of the central authorities' third Tibet work forum. They are seizing the opportunity to deepen reform, open up wider, promote development, and maintain stability. We firmly believe a united, prosperous, and civilized socialist new Tibet will surely be able to stand firm on the Tibet Plateau—the roof of the world—with the concern shown by the party Central Committee, with the support by all the people across the country, and with the help from those personages with breadth of vision at home and abroad.

Hu Shunqian, leader of the Macao goodwill delegation, also delivered a warm speech at the banquet.

State Council Allocates Funds To Aid Tibet Grain Production

OW1408031594 Beijing XINHUA in English 0225 GMT 14 Aug 94

[Text] Lhasa, August 14 (XINHUA)—Chinese scientists have scored big achievements in their intensive efforts over the past four decades to study the Qinghai-Tibet Plateau, the highest and the youngest on the planet.

According to an international symposium on mountain-based agriculture held here Friday [12 August], the major research achievements on the plateau include the discovery of evidences showing that it is rising at an annual rate of five to 10 cm and the Yarlung Zangbo Gorge is the biggest in the world.

The symposium attendants were told that more than 40 books on such achievements from the study have been published.

Experts said that China has also obtained a great deal of first-hand data on the ecology in the plateau area.

China's highest scientific body, the Chinese Academy of Sciences, has so far set up seven meteorological monitoring stations and three ecological experimental stations on the plateau.

The stations have already helped improve local ecological conditions and promoted agriculture and animal husbandry, officials said.

They said that many of the study results on the Qinghai-Tibet Plateau have helped produce considerable economic benefits.

The State Council, China's cabinet, has decided to invest one billion yuan in the next years to turn part of the plateau area in Tibet into a grain production center.

Tibet Society for Reform Through Labor Inaugurated

OW1608084794 Lhasa XIZANG RIBAO in Chinese 5
Aug 94 p 1

["Tibet Society for Reform Through Labor Inaugurated"]

[Text] A Tibet Society for Reform Through Labor [TSRTL] was formally inaugurated on 1 August for the purpose of conducting in-depth research on the theory of reform through labor [RTL] and promoting development of RTL in Tibet.

Tibet began RTL work in the 1960's and, in a period of more than 30 years, scored brilliant achievements and accumulated much experience through the work. Tibet carried out a series of RTL reform measures, particularly after the implementation of reform and opening up, such as: subjecting criminals to strict, civilized, and scientific control in accordance with the law; instituting a hundred-mark performance appraisal system and a system for reducing penalties in accordance with the law; exercising standardized administration on a trial basis; and separating them into groups for detention, administration, and education, thereby effectively promoting the development of RTL.

At present, in the face of the tasks and requirements raised by the new situation, how to enable the RTL work in Tibet to suit the new situation and take a new step forward, and how to improve the quality of reform by directing such effort against the new problems and characteristics emerging in the reform of criminals present issues that need to be resolved as quickly as possible. The inauguration of the TSRTL provides a favorable condition for studying and resolving these new issues. Its inauguration plays a very important role in deepening reform of the RTL work, strengthening reconstructive supervision, and promoting development of the RTL economy. Its inauguration signals that Tibet's research in RTL theory has entered into a new period and begun to develop in depth.

Fujian Response to Tibet Work Forum Reported

OW1408171094 Lhasa XIZANG RIBAO in Chinese 31
Jul 94 p 1

[By Bian Wen (6708 2429): "Fujian Province's Cadres and Masses Enthusiastically Respond"]

[Text] A news item on the Third Tibet Work Forum convoked by the CPC Central Committee [CPCCC] and the State Council [SC] broadcast by the China Central Television Station in the evening of 27 July evoked enthusiastic response from Fujian Province's cadres and masses.

The following are beliefs generally maintained by public opinion here: 1. The central authorities' convocation of the Third Tibet Work Forum under China's very good situation of accelerating reform, development, and the establishment of a socialist market economy nationwide has very far-reaching historical significance for Tibet's development and stability. It will surely expedite Tibet's reform and development and enable Tibet to gradually catch up with the pace of all the provinces, municipalities, and other regions in China.

2. The meeting showed the CPCCC and the SC attach importance to not only the work in east China's coastal areas open to the outside world and areas that have enjoyed relatively rapid economic development, but development of west China's economically backward areas. It is necessary for the central authorities to draw up policies offering preferential treatment to Tibet, which is located in China's southwestern frontier, and for all the provinces, municipalities, and other regions in China to vigorously support Tibet in all fields of endeavor under the situation of accelerating the establishment of a socialist market economy nationwide. Promoting Tibet's prosperity and development means promoting the prosperity and development of all China.

3. Tibet is a sacred and inalienable part of China's territory. Its stability is a prerequisite and basis for its development and is also a basis for China's stability. The plot hatched by a small number of splittists and hostile forces abroad to split the motherland through the Dalai Lama clique cannot succeed.

4. The call issued by the central authorities on all other areas in China to support Tibet will definitely promote unity between the Zang [Tibetan] and the Han nationalities, as well as the unity between other nationalities and will enable our great motherland to prosper day by day.

Statistics Show Expanding Foreign Trade for Tibet

OW1608062094 Beijing XINHUA in English 0558
GMT 16 Aug 94

[Text] Kunming, August 16 (XINHUA)—The Tibet Autonomous Region is speeding up the pace of its opening to the outside world.

At the second Kunming Commodity Fair in Yunnan recently, a Tibetan delegation closed import and export deals totalling 7.78 million U.S. dollars, a large jump compared with the first fair.

"The 600 varieties of goods on display, including traditional tibetan medicine, necklaces made of bone beads, and leather products, were appreciated by customers at home and abroad," said Wang Jiayu, head of the regional delegation to the fair.

He disclosed that Tibet plans to cooperate with the neighboring country of Nepal in holding a trade seminar in Kathmandu next month.

According to statistics, Tibet's foreign trade volume topped 100 million U.S. dollars last year, up more than 60 percent over the previous year.

In addition, its border trade volume climbed to 220 million yuan worth last year, up 40 percent.

To further open to the outside world, Tibet has opened more ports and improved transport facilities.

It has set up 33 Sino-foreign joint venture enterprises and dozens of industrial enterprises, as well as farm and sideline production bases in cooperation with interior provinces, municipalities and autonomous regions.

Lhasa Increases Implementation of 62 Help-Tibet Projects

SK1508090794 Beijing XINHUA Domestic Service in Chinese 2327 GMT 13 Aug 94

[By reporter Norbu Cering (5012 1580 2945 0088)]

[Text] Lhasa, 13 August (XINHUA)—In order to support Tibet in fulfilling its strategic target of economic and social development, and to enable the Tibetan people along with people throughout the country to become better-off by the end of this century, the Tibet Autonomous Region has increased implementation of the 62 help-Tibet projects adopted at the central Tibetan work conference. It has already fulfilled 40 early-stage projects, and is increasing implementation of others.

Total investment in the 62 help-Tibet projects is 2.38 billion yuan. Of this investment, the central authorities and the relevant ministries and commissions have invested 1.82 billion yuan in 30 of them, accounting for 75.7 percent. Provinces, autonomous regions, municipalities, and six cities authorized to undertake independent economic plans across the country have invested 578 million yuan in 32 of them, accounting for 24.3 percent. Of these projects, 42 are construction projects for productive purposes, whose investment accounts for 73.2 percent. The completed construction of these projects will enable the Tibet Autonomous Region to achieve new breakthroughs in its economic "bottleneck" and enable its GNP to report an approximately 10 percent yearly average increase.

According to the introduction, the large amount of investments made by the central authorities, various provinces, municipalities, and cities authorized to undertake independent economic plans in these projects, as well as the wide scale and distribution of these investments, have been unprecedented. These projects extend over almost all counties throughout the autonomous region. With regard to building township-level solar-energy radio and television receiving stations, the project alone will involve 493 townships and 57 highways maintenance squads in 73 counties.

In order to better organize the enforcement of these projects, the autonomous region recently established a headquarters in charge of building these projects; Gyaincain Norbu, chairman of the autonomous regional people's government, holds the post of headquarters' chief.

Tibet Starts New Construction Campaign

OW1508082794 Beijing XINHUA in English 0816 GMT 15 Aug 94

[Text] Lhasa, August 15 (XINHUA)—A construction campaign has been launched in Tibet, as the theme of the third working conference on Tibet convened by the State Council late last month is being realized.

The construction of 40 of the 62 key projects in Tibet aided by the country's other provinces, autonomous regions and municipalities are now in full swing and preparations for another 22 are progressing smoothly, local officials said.

They said that the preferential policies for Tibet unveiled at the recent conference would be a driving force for the overall advancement of the region.

This latest wave of assistance from Beijing, Dalian and other parts of the country days after the meeting has excited Tibetans as well as other inhabitants of the roof of the world.

Many economists hold that Tibet now faces a historic opportunity for economic growth, and the region is ushering in a new era of social progress.

For generations the development of Tibet was restrained by historical reasons as well as by its rough natural and geographical conditions.

But two working conferences on Tibet in the 1980s have since pumped great vigor into the region dominated by mountains and plateaus.

To date, more than 500 hydropower stations have been built in Tibet. The region's installed electrical generating capacity has now reached 170,000 kw, against several hundred kw only decades ago.

A Lhasa-centered highway network has extended to some 22,000 km. The Gonggar airport in this capital city, built in the 1950s, was upgraded in the late 1980s.

A telecommunications net centered in Lhasa has helped build up firm links with the outside world.

In 1985, Tibet's first group of modern buildings for hospitals, hotels and cultural halls sprung up to greet the 20th anniversary of the establishment of the autonomous region.

To accelerate the modernization drive of Tibet, the central government has ordered the setting up of Tibetan middle schools and classes in 26 of the country's 30 provinces, enrolling more than 11,000 students nationwide.

Currently two more power plants are being built in Tibet. Two trunk highways connecting the region with the outside world are under intensive renovation. The construction of the China-Nepal highway, dubbed a golden travel line, is in high gear. And a comprehensive development zone, covering 18 counties, is also taking shape.

Potala Palace Renovation Project Praised

OW1208161894 Beijing XINHUA in English 1506
GMT 12 Aug 94

[Text] Lhasa, August 12 (XINHUA)—The completion of the Potala Palace renovation project is of great significance and a major event in the protection and development of China's historical and cultural relics.

That was the unanimous comment by principal leaders of the Tibetan Autonomous Region and delegates of all walks of life in Tibet who attended a forum here today.

The renovation of the palace, which attracted the attention of over two million Tibetan people, was one of the most difficult renovation projects in China. It cost the government more than 53 million yuan and took five years to complete.

Participants in the forum said that the project has proved a success. The Potala is as brilliant as before.

Li Tieying, member of the Political Bureau of the Central Committee of the Communist Party of China (CPC) and a state councillor, said at the forum that the success of the project is the result of the correct decision of the central party committee and the State Council. It is also the result of the efforts made by the Tibetan people and people of all nationalities in China.

He expressed the hope that the autonomous regional government would exercise good maintenance and scientific management so that the palace will keep its brilliance for as long as possible.

Delegates attending the forum voiced their opinions and suggestions on the management of the palace, the protection of cultural relics in the palace and the improvement of the management personnel's educational level.

Li said that he hoped that the leaders of Tibet and the Tibetan people would make conscientious studies of

Deng Xiaoping's theory of building socialism with Chinese characteristics and make earnest efforts to make the autonomous region a new Tibet that is united, prosperous and highly civilized.

Hosted by Raidi, deputy secretary of the Tibetan Autonomous Regional Communist Party Committee and chairman of the Tibetan Autonomous Regional People's Congress, the forum was attended by Pagbalha Geleg Namgyai, vice-chairman of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) and chairman of the CPPCC Tibetan Autonomous Regional Committee, and Gyaincan Norbu, chairman of the Tibetan Autonomous Regional People's Government.

Bumi Qambalozhub, chairman of the Tibetan branch of the Chinese Buddhist Association, and many other delegates of Buddhist origin also attended today's discussion.

Yunnan Enterprises Achieve Better Results Jan-Jun

HK1508062294 Kunming Yunnan People's Radio
Network in Mandarin 1000 GMT 12 Aug 94

[Text] In the first half of the year, 255 large and medium-sized enterprises in this province recorded rapid increases in product output, sales, and profits. The number of loss-incurring enterprises decreased, as did the amount of business losses. Between January and June, the industrial output value produced by the enterprises in Yunnan reached 27.6 billion yuan, product sales reached 22.435 billion yuan, and there was a basic balance between production and sales. The cumulative amount of profits earned by enterprises in the first half of the year reached 3.019 billion yuan. Thirty-three enterprises succeeded in halting business losses. The shortage of working funds in the enterprises eased somewhat. The average balance of working assets by the end of June had increased by 883 million yuan over that at the end of March. The net amount of accounts receivable decreased by 763 million yuan as compared with that at the end of March. [passage indistinct]

Yunnan University Develops Stimulant To Raise Crop Yields

OW1608053194 Beijing XINHUA in English 0406
GMT 16 Aug 94

[Text] Kunming, August 16 (XINHUA)—Yunnan University in southwest China has developed a plant growth stimulant that can greatly boost crop yields.

The stimulant is called BR-120, but has been dubbed "magic water" by farmers. One kg of the solution, when mixed with water and sprayed on the crops, can substantially raise the yields of crops on 67,000 hectares.

Since July 1991, the solution has been applied to dozen kinds of crops on more than 200,000 hectares of farmland in 17 Chinese provinces and regions.

Tests have shown that the "magic water" can increase the output of rice by 7-10 percent, wheat by 10-20 percent, rape by 10-30 percent, sugarcane by 10-30 percent, tobacco by 10-18 percent and vegetables by 20-40 percent.

It has won several national awards for science and was selected as the most welcomed scientific achievement at the second national agricultural high-tech exhibition last June.

The Ministry of Agriculture has proposed to spread the use of this new solution.

Agricultural experts agreed that the BR-120 solution is the latest and most powerful crop growth regulator in the world. It is 1,000 times more effective than other crop growth stimulants.

Official sources said that mass production of this crop stimulant has already begun.

CHINA DAILY Opens Office In Yunnan Capital

HK1408080994 Beijing CHINA DAILY in English 13 Aug 94 p 3

[By Li Bo: "China Daily Opens Office In Kunming"]

[Text] Kunming, Yunnan—China Daily, the country's only English language daily, opened its first office in the Southwest here yesterday.

The Kunming office aims to help further open landlocked Yunnan to the outside world and accelerate its economic development, said Editor-in-Chief Zhu Ying-huang during the opening ceremony yesterday.

Yunnan, home to dozens of ethnic minorities, has led China's underdeveloped Southwest in luring overseas capital from Southeast Asia.

Bordering Myanmar, Laos and Viet Nam, Yunnan is rich in natural and mineral resources.

Over the past few years, the province has successfully held China's Third Arts Festival and the Kunming Export Commodities Fair, which has greatly boosted border trade.

North Region

Beijing Attracts Multinational Corporations

OW1608025694 Beijing XINHUA in English 0136 GMT 16 Aug 94

[Text] Beijing, August 16 (XINHUA)—Multi-national companies, mostly from Japan and the United States, have taken Beijing as their priority investment area.

To date, nearly 80 such companies have invested nearly 4.6 billion yuan in 200 projects in China's capital, according to the municipal commission of foreign trade and economic cooperation.

An official of the commission said that investment from such companies account for one third of the total investment from all foreign firms in Beijing.

Multi-national companies now focus their investment on technology-intensive industries and the service sector, he said.

For example, 40 percent of their investment have gone to the electronics industry, 30 percent to the service sector and 20 percent to the foodstuff processing industry.

The city's new-technology industry development zone and the economic and technological development zone are where firms funded by multi-national companies are concentrated.

After visiting the Beijing Economic and Technological Development Zone, Manfred Schneider, chairman of the Bayer Company of Germany, said that he was satisfied with the infrastructure and the investment environment in the zone.

Earlier this year his company signed a contract with a Beijing Chinese partner to invest 30 million U.S. dollars in the zone. Schneider pledged that his company would invest heavily in Beijing and the rest of China over the next few years.

The Beijing Municipal Government is now encouraging multi-national companies and other foreign firms to invest in such sectors as energy, transportation, telecommunications, environmental protection, commerce, the rebuilding of old urban areas and real estate.

Two French companies are now jointly building a cement plant in Beijing's suburban Huairou County, at a total cost of 80 million dollars. The plant will manufacture high-grade cement to meet the growing needs of the construction boom in Beijing.

Li Ka-shing, a well-known entrepreneur in Hong Kong, undertook in January 1994 to build a residential area in Beijing.

Local economists agree that the success scored by a number of multi-national companies in Beijing has enhanced the confidence of more such companies in opening subsidiaries firms in China's capital.

For instance, the Beijing Jeep Company, a Sino-U.S. joint venture, has generated four billion yuan in profits and taxes since its establishment ten years ago.

The Beijing Matsushita TV Tube Company, a Sino-Japanese joint venture, has made nearly 1.1 billion yuan in profits since it went into operation four years ago.

Since the beginning of this year scores of executives of multi-national companies have visited Beijing to explore the possibility of investing in the city.

In the first five months of 1994, Beijing approved the establishment of 1,060 foreign-funded firms, involving overseas investment totaling 1.55 billion U.S. dollars.

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The inflow of investment from multi-national companies increased the number of such firms involving an investment of at least 10 million dollars to 56.

Beijing Hosts 3,700 Foreign Firm Representative Offices

HK1508133494 Beijing ZHONGGUO XINWEN SHE in English 1052 GMT 15 Aug 94

[Text] Beijing, 15 Aug (ZHONGGUO XINWEN SHE)—From January to July this year, 402 foreign enterprises were approved to set up their permanent institutions in Beijing. Thus in the capital there were, all told, 3,700 permanent representative institutions of foreign enterprises from 80 countries and regions.

The number of foreign permanent institutions in Beijing were increased by an average of 60 per month, said relevant department.

One after another, some world-known transnational companies came to set up their offices in Beijing. According to statistics, among the world's top one hundred transnational companies, 53 had representative offices in Beijing, whereas 28 out of the top 50 American firms has set up their representative offices in Beijing.

Some transnational companies even shifted their focuses to Beijing either by moving their branches from Hong Kong to Beijing or by directly setting up holdings companies there to act as headquarters for their China's investment and management.

Working staff responsible for approving procedures in the administrative office of foreign trade of the Beijing's Foreign Economic Relations & Trade Commission, is now putting in extra hours to verify all kinds of documents and go through relevant procedures as outlined in regulations.

Beijing's high-grade offices and apartments such as those in the World Trade Centre, Jinguang Centre and Grand China Hotel are very often fully occupied. The rate of rent is so high, and as a result the rent remains high [sentence as received].

All kinds of commercial institutions providing services for foreign enterprises or individual all have a booming business.

Beijing To Build Permanent Green Belts

OW1508130794 Beijing XINHUA in English 1253 GMT 15 Aug 94

[Text] Beijing, August 15 (XINHUA)—Beijing will build permanent green belts in its downtown area and areas between the city proper and its satellite towns, as a way to protect the environment of the capital.

The green belts will be built on vacant lots between downtown Beijing and the suburban areas, which cover 240 sq km. The green belts, totalling 130 sq km, will account for 50 to 60 percent of the vacant lots.

Furthermore, green belts will also be built along both sides of the ten national highways and the seven main roads linking Beijing with its satellite towns.

A 100-m-wide belt surrounding the satellite towns and a 50-m-wide belt surrounding the city proper will be set aside specially for permanent green belts.

Beijing Reports Rapid Industrial Growth

OW1508130494 Beijing XINHUA in English 1251 GMT 15 Aug 94

[Text] Beijing, August 15 (XINHUA)—Beijing scored a nearly 17 percent increase in its industrial output value in July over the same month in 1993, the municipal economic commission announced here today.

That figure was 9.68 billion yuan last month, an official of the commission said.

Beijing manufactured a total of 69 billion yuan-worth of goods in the first seven months of this year, up almost 22 percent over the same period of 1993.

During that period the output value of state-owned companies inched up by 0.2 percent to 33.88 billion yuan; that of collectively owned firms soared nearly 52 percent to 21.98 billion yuan; and that of private and foreign-funded businesses shot up 64 percent to 13.17 billion yuan.

Hebei Rural Enterprises Show 'Strong Development Trend'

SK1208072394 Shijiazhuang HEBEI RIBAO in Chinese 2 Aug 94 p 1

[Summary] Town and township enterprises across the province have overcome the influence of such unfavorable factors as lack of capital and increased taxes and have maintained a strong development trend. Statistics showed that in the first half of this year, the gross output value of the town and township enterprises reached 129.59 billion yuan and their industrial output value reached 93.84 billion yuan, an increase of 63.9 percent and 61.1 percent respectively over the same period of last year. Their business income reached 118.45 billion yuan and their profits reached 14.07 billion yuan, an increase of 63.5 percent and 52.6 percent respectively; and taxes handed over the state and the volume of goods delivered for export were valued at 3.11 billion yuan, an increase of 27 percent and 51 percent respectively.

Hebei Group Inspects Control of Iodine-Deficient Disease

SK1308073294 Shijiazhuang HEBEI RIBAO in Chinese 2 Aug p 1

[Text] Headed by Liu Yandong, standing committee member of the National Committee of the Chinese People's Political Consultative Conference and deputy director of the Central United Front Work Department, the iodine-deficiency inspection group, organized by the

Central United Front Work Department and the Chinese Medical Fund, paid a special visit to Chengde to inspect the situation in preventing and controlling the iodine-deficient disease.

The inspection group expressed satisfaction with the achievements made by our province and Chengde in preventing and controlling the iodine-deficient disease. The iodine-deficient disease is a kind of endemic disease which can cause great harm. Hebei is a place where this disease frequently occurs. More than 23 million people in 1,534 townships (towns) in 77 counties (cities and districts) across the province suffer from this disease. Party committees and governments at various levels across the province have persistently regarded the prevention and control of this disease as a great matter, and have attended to it. As a result, the occurrence of this disease and the number of people suffering from it have been reduced by a large margin; the province has attained state-fixed standards for "basic control" of this disease. The inspection group maintained that not only the management of local input should be strengthened, but also the state should work out laws to ensure there are laws to abide by.

After hearing the opinions of the inspection group, Li Zhanshu, standing committee member and secretary general of the provincial party committee, said the specialists of the inspection group have set forth good suggestions, and their opinions have helped widen our ways of thinking. We should redouble our efforts and make contributions to achieving the target of eliminating the iodine-deficient disease on schedule.

Inner Mongolia Makes Progress in Afforestation

OW1508084594 Beijing XINHUA in English 0829
GMT 15 Aug 94

[Text] Beijing, August 15 (XINHUA)—The Inner Mongolia Autonomous Region in north China has made much progress over the past 15 years in afforestation, according to a recent survey.

The region's desert and sandy areas are the second largest in China. The survey showed that the region has planted trees on 3.523 million hectares, closed 1.244 million hectares of sandy areas to facilitate afforestation, and air-seeded trees on 153,100 hectares of areas.

As early as the 1950s, the regional government encouraged people of all ethnic groups to plant more trees and improve the region's ecological conditions.

As a result, 1.3 million hectares of farmland are surrounded by trees in farming areas, and large stretches of grassland are protected by tree belts.

New Geological Map for Inner Mongolian Rare-Earth Mine

OW1608065794 Beijing XINHUA in English 0641
GMT 16 Aug 94

[Text] Hohhot, August 16 (XINHUA)—After two years of hard work, a 1:10,000 scale map of the Bayan Obo rare-earth mining area recently passed the appraisal of regional experts.

The experts said that the new geological map will be of great help in doing research into the formation and development of mineral deposits.

Bayan Obo is located in north of Baotou city of Inner Mongolia Autonomous Region.

Since the rare-earth mine was discovered in the early 1930s by Professor Ding Daoyuan, a famous Chinese geologist, Bayan Obo has become world famous. It was not until the 1950s when the Baotou Iron and Steel Plant was constructed that the mining began.

Bayan Obo has enormous deposits of iron, niobium and rare-earth. Its rare-earth deposits account for 70 percent of world's total.

It has been chosen as a main place for inspection by the thirtieth international geology assembly to be held in Beijing in 1996.

Tianjin Achieves Progress in Labor Service Contracts

SK1308084994 Tianjin TIANJIN RIBAO in Chinese 2
Aug 94 p 1

[Text] The continuous development of Tianjin's opening up has vigorously promoted the development of Tianjin's economic and technological cooperation with foreign countries.

In the first half of this year, Tianjin signed 181 labor service export contracts with foreign countries, and the volume covered by these contracts amounted to 63.95 million yuan, an increase of 280 percent and 39 percent over the same period last year respectively. Meanwhile, the volume of business realized from these contracts amounted to \$27.22 million. In the first half of this year, the persons actually sent to foreign countries according to these contracts numbered 580, an increase of 20 percent over the same period last year. By the end of June this year, a total of 5,406 laborers were sent to the outside world.

At present, there are six units entitled to deal in labor service export. These units have given full play to Tianjin's advantages in science and technology, professionalism, and technology to cooperate vigorously with foreign countries economically, thus achieving gratifying results. In the first half of this year, major characteristics of labor service export were: First, a big breakthrough was made in labor service export. In the first half of this year, Lida (Group) Corporation signed a contract with the ROK on sending 1,000 trainees to the ROK. This was the most biggest labor export project ever signed in Tianjin. Implementation of the contract has already begun, and the first group of trainees have already gone through exit formalities. Second, the sphere of cooperation was wide. The projects covered by these contracts included residence, office building, guesthouse, hotel, highway, and technological design. Involved in labor service cooperation projects were fishing workers, cooks,

machinists, attendants, dressmakers, computer software personnel, and designers. Third, the level of labor service rose. In the first half of this year, the number of persons working in designing and the scientific and technological field increased, accounting for more than 60 percent of all labor service activities.

Northeast Region

Jilin Governor Discusses Economic Cooperation With ROK

SK1408011294 Changchun JILIN RIBAO in Chinese 1 Aug 94 p 1

[By reporter Fu Duoqiang (0265 1122 1730): "On Jilin's Development Strategy and Prospects for ROK-Jilin Trade"]

[Text] On 30 July in the meeting room of the provincial government, Governor Gao Yan was interviewed by a KBS Broadcasting and Television Company production unit regarding Jilin Province's strategy for development in the 21st century, and on the prospects for the development of economic relations and trade between Jilin and South Korea.

KBS is the largest broadcasting and television organization in the ROK. Currently, the four-member KBS team is gathering material in Beijing, Tianjin, Shanghai, Jiangsu, Hubei, and Fujian Provinces and municipalities, and is producing a special film entitled "China—An Awakened Giant" to introduce the ROK's audience to the PRC's reform and opening up, economic development, urban and rural planning, foreign investment environment, and the prospects for PRC-ROK economic and trade development.

Governor Gao Yan began by introducing Jilin's general situation and its state of economic development. To a question by an ROK correspondent, Governor Gao Yan responded: Jilin's general planned strategy for building a developed near-the-sea border province by 2010 is to face two seas, build two belts, upgrade industries, and move the place forward comprehensively. Specifically speaking, Jilin plans to open up the passageway to the Sea of Japan and the Bo Hai Sea, with opening up merely as the forerunner. Jilin will then open up and expand the thorough communication and transportation passageways to neighboring countries in Northeast Asia, with a focus on accelerating the opening up and development of areas along the lower reaches of Tumen Jiang, in order to build Jilin into one of the region's economic cooperation centers in Northeast Asia. In line with opening up passageways to two seas and to neighboring countries, Jilin plans to establish two major economic take-off belts, with one as the lateral economic take-off belt along the future Eurasian continental bridge heading to the Sea of Japan, and with the other as the vertical economic take-off belt along the Harbin-Dalian railway and

highway that leads to Bo Hai. Jilin also plans to comprehensively raise the level of and build a high-class structure of industries; improve the quality of the provincial economy; give rise to a solid industrial foundation to be competitive in domestic and foreign markets; effect a rapid increase in economic aggregates; move forward Jilin's place in the country in overall economic quality and per capita gross domestic product; and enable the province to edge into the ranks of the country's developed provinces.

When answering questions on the prospects and situation for economic and trade cooperation between Jilin and the ROK, Governor Gao Yan replied: Since the PRC and the ROK formally established diplomatic relations in August 1992, economic and technological cooperation between Jilin and the ROK has developed rapidly, contacts between the two have been frequent, and trade between the two has increased by leaps and bounds. By the end of this past June, the number of PRC-ROK joint ventures, cooperative enterprises, and solely ROK-funded enterprises in Jilin totaled 629, and the investment volume of these enterprises totaled \$220 million, ranking second only after Hong Kong. Jilin is very satisfied with its economic and trade cooperation with the ROK. Thus far, Jilin has already established stable economic and trade relations with many large enterprises and corporations in the ROK, and many large enterprises in the ROK are also positively holding talks with pertinent fields in Jilin Province. Therefore, the prospects are vast. We welcome enterprise and commercial circles in the ROK to invest in our province, and we will adopt even more flexible forms to cooperate with various circles in the ROK.

Liaoning's Shenyang Offers 'Blood-Magnetic' Treatment

OW1608053294 Beijing XINHUA in English 0351 GMT 16 Aug 94

[Text] Shenyang, August 16 (XINHUA)—Northeast China's Liaoning Province has become a new center of blood-magnetic treatment for different diseases.

A miner, tortured by bad headaches for more than 20 years, came to the Liaoning Blood-Magnetic Hospital only after many big hospitals failed to find what was causing the headaches.

The result was more than satisfactory. His headaches were gone after only three treatments at the hospital.

Zhang Dongxin is the president of the hospital. His method of blood-magnetic treatment is completely different from that of other doctors: No operations, no injections, and no drugs. What he does is to withdraw blood from the patient, treat it, then return it to the patient. He says the method has been effective in the treatment of cardiac and cerebral diseases and even cancer.

Zhang has named his method the "blood-magnetized treatment", which is a combination of a modern blood treatment popular in European and American countries, and a traditional Chinese magnetic treatment.

Zhang uses magnets, light and oxygen to treat the patient's blood to bring about a series of biological and chemical changes.

That is only the first step, Zhang said. The second step is to disperse harmful or poisonous contents in the blood through the use of magnetic equipment.

The hospital has so far treated thousands of patients from both in and out of the country.

The blood-magnetized equipment, developed by Zhang and his colleagues, has received a state patent and is being exported to southeast Asian countries.

This year, Zhang and his colleagues have begun setting up a few branch hospitals outside of Liaoning Province.

Northwest Region

Northwest Provincial Leaders Hold Meeting

HK1608062494 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 14 Aug 94

[Excerpts] The second joint meeting of the leaders of the five provinces and autonomous regions in Northwest China opened grandly in Xining on 14 August. The principal party and government leaders in the Northwest provinces and regions include Zhang Boxing, secretary of the Shaanxi Provincial CPC Committee and chairman of the Shaanxi Provincial People's Congress; Xu Shanlin, standing committee member of the Shaanxi Provincial CPC Committee and vice governor of Shaanxi Province; Cheng Andong, standing committee member of the Shaanxi Provincial CPC Committee and secretary of the Xian City CPC Committee; Yan Haiwang, secretary of the Gansu Provincial CPC Committee; (Gu Zhengtao), vice governor of Gansu Province; Huang Huang, secretary of the Ningxia Regional CPC Committee; Ren Qixing, standing committee member of the Ningxia Regional CPC Committee and vice chairman of the regional government; (Abulaiz Abuduleti), deputy secretary of the Xinjiang Regional CPC Committee and chairman of the regional government; Jin Yunhui, deputy secretary of the Xinjiang Regional CPC Committee and commander of the Xinjiang Production Corps; Yin Kesheng, secretary of the Qinghai Provincial CPC Committee; Tian Chengping, deputy secretary of the Qinghai Provincial CPC Committee and governor of the province; Cai Zhulin and Sang Jiejia, deputy secretaries of the Qinghai Provincial CPC Committee; Wang Haimin, standing committee member of the Qinghai Provincial CPC Committee and vice governor of the province; Yao Xiangcheng, standing committee member and secretary general of the Qinghai Provincial CPC

Committee; and Ma Yuanbiao, La Bingli, Bai Ma, Liu Guanghe, and (Zhao Ledi), vice governors of Qinghai Province.

Those invited to the meeting also included Wu Jie, vice minister in charge of the State Commission for Restructuring Economy, and the relevant leaders of the Central Policy Research Office, the Ministry of Finance, the State Development Bank, the Committee for Harnessing the Huang He in the Ministry of Water Resources, and the Northwest Power Administration. (Zhang Weiyuan), standing committee member of the provincial party committee and commander of the provincial military district; Huanjue Cenam, chairman of the provincial people's congress; and Han Yingxuan, chairman of the provincial committee of the Chinese People's Political Consultative Conference; also were invited to the meeting.

The meeting was chaired by Yin Kesheng, secretary of the Qinghai Provincial CPC Committee. Tian Chengping, deputy secretary of the provincial party committee and governor of the province, first expressed warm welcome on behalf of the party committee and the government of Qinghai Province to the leaders of the five provinces and regions and the relevant central departments. He said: The main theme of the meeting is to promote the cooperation and joint development in the northwest region. Around this theme, the meeting will discuss and consider the concrete steps for handling the tasks set out by the first joint meeting. [passage omitted]

Comrade Yin Kesheng gave a speech on promoting cooperation and speeding up joint development. He said: Over the past more than 10 years since the beginning of reform and opening, under the guidance of the party center and the State Council and with the support of the people in all parts of the country, the five provinces and regions in Northwest China have made great achievements in various aspects. Profound historic changes have occurred in the economic and social conditions of this region. Great contributions have been made to our country's modernization. However, for various reasons, social and economic development in Northwest China still lags behind the average national development level. The gap between the eastern and western parts of the country is still widening. [passage omitted]

Northwest Region To Open Up More Air Routes

OW1608110494 Beijing XINHUA in English 1044 GMT 16 Aug 94

[Text] Urumqi, August 16 (XINHUA)—Northwest China's Xinjiang Uygur Autonomous Region has redoubled its efforts to build more air routes over the past two years and has become an air hub linking Europe, Asia and the Middle East.

Since the beginning of this year, Xinjiang Airlines has opened two new international air routes—

Urumqi-Islambad and Tianjin-Urumqi-New Siberia-Moscow—and three new domestic airways: Urumqi to Hong Kong via Chongqing, Urumqi to Qingdao via Zhengzhou and Urumqi to Kunming via Chengdu.

Local officials said that the region planned within this year to open six new air routes linking Urumqi with major cities of countries in the Commonwealth of the Independent States.

At present, an air network has been formed in Xinjiang with the operation of 31 domestic air routes and four international airways, linking up with major cities across the country and 11 cities and counties within the autonomous region, and some cities in Europe, Asia and the Middle East, with Urumqi, regional capital, as the hub.

Since 1992, Xinjiang, which has now grown into China's area with the longest mileage of airways, has pioneered attempts at flexible commercial air operations, including wet leasing of aircrafts to introduce six large airplanes including Boeing 737-360s and Il-86s, while importing a large number of sophisticated technology and facilities to be used for navigation, maintenance and repair of planes, and air control.

By the end of 1995, Xinjiang Airlines will have 15 large planes and 10 medium-sized and small planes.

Meanwhile, the autonomous region has been trying hard to strengthen construction of basic facilities at airports in Urumqi and other local cities.

The expansion project of the Urumqi airport, which has been listed as a state key construction project and will take three years to finish, has been started, with a total investment estimated at 1.29 billion yuan (about 150 million U.S. dollars). The project will require the construction of 16 new facilities, including the building of a new runway, airport lounge and an aircraft parking area.

When the project is completed, Urumqi airport will join China's five major airports equipped with the most advanced equipment.

The autonomous region also plans to invest several hundred million yuan for the building and extension of airports at Kashi, Yining, Hotan, Kuqa, Korla, Aksu, Altay and Tacheng cities, according to the officials.

Lanzhou in Gansu Province Sees 'Substantial Development'

OW1508125694 Beijing XINHUA in English 1247
GMT 15 Aug 94

[Text] Lanzhou, August 15 (XINHUA)—This capital of northwest China's Gansu province is witnessing a substantial development.

The development is evidenced by the thousands of domestic and overseas businessmen who are here to attend a large annual trade fair, visits by local government leaders and entrepreneurs to all parts of the world,

and the increasing investment from China's developed coastal areas and a dozen overseas countries and regions.

During the past year and in the first half of this year, the city saw the establishment of 546 new joint ventures, twice the number for the previous ten years.

Meanwhile, the city has completed 265 economic co-operation projects with a total investment of over 500 million yuan (about 58 million U.S. dollars).

The prospering foreign-oriented local economy has also laid a foundation for the development of Lanzhou's industry and commerce.

Now the city has been listed 11th among the 31 major cities nationwide in terms of economic power.

Lanzhou, the largest industrial city on the upper reaches of the Yellow river and a communications hub in north-west China, has been playing an important role in the development of China's chemistry, energy and raw materials industries.

Since it was appointed as an inland open city enjoying preferential policies on a par with the coastal open cities in 1992, its opening drive has witnessed great progress.

With an eye on the rich local resources, other provinces and regions have set up over 500 representative offices and joint ventures in Lanzhou.

In addition, overseas investment has been pouring into Lanzhou's energy and raw material industries.

Now the city has 760 overseas-funded enterprises covering a dozen industries, including the service sector, with a total investment of 9.139 billion U.S. dollars.

In addition, the city has revitalized its traditional food-stuffs industry through the introduction of capital, technology and personnel.

Since 1988 the output value of its food industry has doubled that of the previous five years.

Rural Market Economy Prospers in Ningxia

OW1308100094 Beijing XINHUA in English 0923
GMT 13 Aug 94

[Text] Yinchuan, August 13 (XINHUA)—The economy in northwest China's Ningxia Hui Autonomous Region is picking up momentum with the development of agriculture, breeding, fishing industries, and the spread of township enterprises.

In addition to growing wheat, farmers in the region have been growing other produce during the past few years such as corn, barley, sugar beets, asparagus, fruit and medical herbs.

Some counties are taking advantage of abundant local grain resources to promote the development of poultry and livestock breeding.

For the first half of this year, the cash income of farmers from selling cattle and poultry products increased by 160 percent and 40 percent comparing with the same period of 1993. The region's output of aquatic products increased 44 percent this year over last year.

Meanwhile, the development of the region's township enterprises is picking up speed as a result of a cooperative effort with teaching institutes, large and medium-sized state enterprises and foreign-funded ventures.

So far, the region has set up more than 92,200 township enterprises, most of which are engaged in the processing of agricultural and side-line products.

Ningxia Hui Autonomous Region Improves Economic Conditions

OW1508153294 Beijing XINHUA in English 1503 GMT 15 Aug 94

[Text] Yinchuan, August 15 (XINHUA)—Northwest China's Ningxia Hui Autonomous Region is speeding up its development in accordance with China's Law on Regional Autonomy for Minority Nationalities published 10 years ago.

According to the law, the region, mainly inhabited by the Hui (Muslim) nationality, has worked out a series of measures in light of its own conditions to facilitate its overall development and completed a number of large infrastructure projects.

During the past ten years the region's total investment in social fixed assets has amounted to 23.068 billion yuan (about 2.68 billion U.S. dollars).

Compared with 1984, the region's gross national product, industrial output value and local revenue last year increased, respectively, four times, three times and four times.

Its grain output last year hit a record two million tons.

The Xihaigu area, where Hui people live in compact communities, is a poverty-stricken region.

To ensure a better life for the local people, the region has adopted a series of preferential policies for the development of local economy.

After ten years of effort, over 90 percent of previously impoverished people there now have enough food and clothing, and some of them have started to live a well-off life.

The region has also enacted some preferential measures to encourage the development of local education, such as the establishment of special schools for Hui children and providing subsidies for Hui students.

In addition, Ningxia has been paying much attention to the selection and training of ethnic cadres, whose number has now reached over 28,000, seven times the figure when the region was founded.

Also in the past ten years the region has invested over 50 million yuan to improve its services for local muslims, including the building of mosques and other places of worship.

Qinghai Economy Shows 'Steady Growth' in First 6 Months

HK1508135494 Xining QINGHAI RIBAO in Chinese 22 Jul 94 p 1

[Report by Dong Pei (5516 1014): "Data From the Provincial Statistical Bureau Shows Steady Growth of the National Economy of Qinghai in the First Half of This Year"]

[Text] At a news conference given by the Qinghai Provincial Statistics Bureau on 19 July, Cui Chunli, a statistical officer with the bureau, said that Qinghai's domestic product totaled 4.461 billion yuan (based on current prices) in the first half of the year, an increase of 7.2 percent over the same period last year if calculated in terms of comparable prices. Such a trend indicates that Qinghai's economy grew steadily, and the overall economic situation developed in a favorable direction. However, there were still some problems, primarily the slow growth in light industrial production, the lack of coordination between production and marketing, a drop in investment in fixed assets, and soaring prices.

According to the statistical communique, primary industry increased 288 million yuan in the first half of the year, an increase of 10.6 percent over the same period last year. Of this, the number of livestock totaled 2,039,900. The situation was excellent, and a bumper harvest was within sight. Despite the rare serious drought, the sown area increased by 1,250 hectares, an increase of 0.23 percent over the same period last year, thanks to the concerted efforts of the whole province. The farming structure underwent a marked readjustment, and the sown area of cash crops and other crops increased to varying degrees.

A steady growth was registered in secondary industry, whose value increased 2.398 billion yuan, or 5.1 percent. Of this, industrial production rose 7.7 percent, while the building industry dropped 6.9 percent. Industrial production had the following characteristics: Output value increased monthly from 515 million yuan in January to 574 million yuan in March and to 703 million yuan in June. Heavy industrial production not only increased remarkably but also boosted marketing. The growth in state-owned industrial production was lower than that in the collective-owned sector, but it was higher than the national average. The growth in production of large and medium industrial enterprises was higher than the province's average. Economic efficiency improved to a certain degree. According to the statistics of the major economic efficiency indices of 260 budgetary industrial enterprises of the whole province, profits and taxes totaled 69 million yuan in the first half of the year, an increase of 20.4 percent over the same period last year. A

total of 173 enterprises running at a loss suffered deficits, 66.5 percent more than in the same period last year.

Qinghai's investment in fixed assets dropped 5.2 percent over the same period last year, which affected the staying power of the province's economic growth. Railway transportation grew steadily, and the transport volume of major products, such as crude oil, coal, iron and steel, gold minerals, non-gold minerals, and chemical fertilizers increased by a wide margin over the same period last year. Posts and telecommunications transactions increased by 21.83 percent.

The market demand for consumer goods gradually increased. The volume of retail sales grew 17.4 percent over the same period last year. However, after deducting the effect of price increases, we find a drop of 2.17 percent. The market for consumer goods had the following characteristics: The growth in retail sales of consumer goods below the county level exceeded that of the city and county level; the proportion of private and joint commercial enterprises increased; and the volume of their retail sales grew by a large margin.

Foreign trade and exports increased remarkably. The volume of foreign trade totaled \$72.59 million, an increase of 41.67 percent. Of this, exports increased by 63.39 percent.

The financial situation was excellent. The balance of bank savings and loans increased by 346 million yuan and 341 million yuan respectively over the same period last year. With the cash expenses and receipts in balance, the money put into circulation was 54 million yuan higher than in 1993.

Qinghai's revenue in the first half of the year totaled 279 million yuan, and expenditures came to 790 million yuan, increases of 9.3 percent and 5.8 percent respectively over the same period in 1993.

Prices soared across the province. Retail prices in the first half of the year rose 22.9 percent over the same period last year, and prices for consumer goods rose 20 percent. Qinghai and Ningxia ranked 27th out of the 30 provinces, autonomous regions, and municipalities in May. Qinghai's price situation had the following characteristics: First, price increases started from a high point and remained high; second, prices soared across the board; and, third, new factors began to appear behind the price increases.

According to statistics, the workers' payroll in the first half year rose 22.2 percent. The average wage was 1,852 yuan, 367 yuan higher than in the previous year. The peasants' per capita cash income was 256.57 yuan (not including savings credit), an increase of 47.6 percent over the corresponding period last year.

Based on an analysis of this situation, the Qinghai Statistics Bureau predicts that the province's economy in the latter half of the year will grow steadily and in a

coordinated manner, and the various targets set by the provincial party committee and government will be fulfilled or overfulfilled.

Construction of Qaidam Basin Said in Full Swing

OW1308155894 Beijing XINHUA in English 1441
GMT 13 Aug 94

[Text] Beijing, August 13 (XINHUA)—The Qaidam Basin, known as a "treasure bowl", a place rich in natural resources in Qinghai Province, is under full development, according to the BEIJING SCIENCE JOURNAL.

The central and Qinghai provincial governments plan to invest eight billion yuan in constructing a number of key projects at the basin in the coming seven years.

These projects include the second construction phase of the Qinghai-Tibet railway, a 330-kilovolt transmission line, a Qinghai-Xingjiang highway and telecommunications projects as well as industrial enterprises and mines.

Covering 250,000 square kilometers, the basin is rich in lake salt, potassium, magnesium, lithium, asbestos, limestone, natural gas, oil, lead and zinc and gold, of which the potential value of verified minerals accounts for 95 percent of the province's total.

A survey shows that about four billion yuan have been used in the construction of the basin since 1987, and some projects have gone into production.

Rural Industry Developing Rapidly in Shaanxi Province

OW1308011794 Beijing XINHUA in English 0056
GMT 13 Aug 94

[Text] Beijing, August 13 (XINHUA)—Rural industry has continued to grow fast in northwest China's Shaanxi Province since the beginning of this year, "CHINA RURAL ENTERPRISES NEWS" reported.

In the first six months of this year, local rural and township enterprises completed 27 billion yuan of total output value, of which industrial output value accounted for 16.79 billion yuan, both showing sharp increases compared with the same period last year.

Several major economic indicators for rural enterprises have for the first time met or surpassed the national average increase levels, said the newspaper.

Rural enterprises in the province also chalked up 8.146 billion yuan in sales volume, and the ratio of industrial production to marketing of products for rural enterprises in the province is higher than 80 percent.

These enterprises also harvested a net profit of 1.59 billion yuan and generated 820 million yuan in taxes, both increasing sharply compared with last year.

Local rural enterprises have also started 34 foreign-funded enterprises, involving a promised use of 8.15 million U.S. dollars in foreign funds.

Local officials attributed the growth of rural industry in the province to various local governments' efforts to increase investment in the sector.

During the January-June period, the province invested 3.478 billion yuan in fixed assets and in circulating funds, higher than similar figures for the whole of 1993, said the newspaper.

Officials Report Successes for Xinjiang's Grape Farmers

OW1608062394 Beijing XINHUA in English 0534
GMT 16 Aug 94

[Text] Urumqi, August 16 (XINHUA)—Farmers from Hotan Prefecture on the southern edge of the Taklimakan Desert, northwest China's Xinjiang Uygur Autonomous Region, have become rich from growing grapes.

According to local officials, the corridor of grapes planted by farmers of the prefecture extend to 1,400 km, and the farmers harvest 2,600 kg of grapes on one mu (equivalent to 0.067 hectares) of grape orchards.

Jiang Zemin, general secretary of the Communist Party of China central committee, spoke highly of the grape corridor after making an inspection tour of the prefecture in 1991.

Last year, Bageqi township under Hotan county, which has the longest grape corridor in Hotan Prefecture, harvested 8,000 tons of grapes from grape orchards, and local farmers earned an additional 100 yuan per capita from the marketing of grapes alone.

The growing of grapes saves farmland, and helps hold back invading sand from the Taklimakan Desert in north, said the officials. The grape corridor has also attracted outside visitors to the prefecture.

In the meantime, grape processing factories in the locality are operating full steam, producing wines, grape juice and dried and preserved grapes.

Xinjiang Rural People Improve Economic Situation

OW1308141794 Beijing XINHUA in English 1353
GMT 13 Aug 94

[Text] Urumqi, August 13 (XINHUA)—Rural people in Kaxgar, a famous town on the western end of the ancient

Chinese "Silk Road", are now enjoying a new life totally different from that of their ancestors.

More than half of the farmers in rural areas of this ancient city, have said good-bye to their farming tools to go in for industry or business.

Living west of the vast Taklimakan Desert, the local people there, mostly of the Uygur nationality, used to eke out a living by farming.

But in this last remaining grassland of the desert today, about 5,400 rural township enterprises have sprung up over the past few years, with their annual profit totalling 100 million yuan, according to an official from the Kaxgar municipal government.

The town of Duolatebagar leads all other places in rural industry development.

To provide Kaxgar with enough fresh vegetables, the town has built more than 600 greenhouses. It has also set up quite a number of winery, sugar refinery, and feed-processing plants over the past few years.

The town is now attracting investment, assembling industrial production lines and importing technologies and equipment from outside the city. The total annual output value of its township enterprises have topped 10 million yuan.

In the fifth village of the Nazarbagar town, which used to be the poorest in the Kaxgar region, villagers have set up a leather processing factory with the help of the local government. The output value of the village reached 1.2 million yuan, averaging 1093 yuan per capita, according to the head of this leather making village.

Learning leather processing skills from veteran villagers, most farming households in the village are now engaged in this trade. They now enjoy enough water and electricity supply, and a high-grade highway help them get easy access to the Kaxgar city.

Another village of this town has set up a dozen brick kilns, which can turn out bricks worth 5.8 million yuan a year.

The villagers have also established a few gas stations along a national highway near the village and have made more than one million yuan a year.

Xiamalegba, a border town in the suburb of Kaxgar, has set up eight industrial product and other daily necessity markets over the past two or three years. Last year, the industrial product market made a gross profit of 3.9 million yuan, more than the total sum of its investment.

Taiwan Firms, Individuals To Advertise on Mainland

*OW1408141694 Beijing XINHUA in English 1404
GMT 14 Aug 94*

[Text] Urumqi, August 14 (XINHUA)—Taiwan enterprises and individuals will be allowed to advertise on the Chinese mainland, for both commercial and such personal reasons as looking for relatives.

This was announced here in a national advertising conference by the State Administration for Industry and Commerce and Taiwan Affairs Office of the State Council.

Sources said the government has decided that Taiwan commercial advertising can be carried by all Chinese media excluding CCTV (China Central Television Station), Central People's Broadcasting Station, PEOPLE'S

DAILY (domestic edition), PLA (PEOPLE'S LIBERATION ARMY) DAILY [JIEFANGJUN BAO], and QIUSHI (SEEKING TRUTH) magazine. But they can be carried on billboards in the background of sports events and performances televised by CCTV.

Liu Baofu, director of the advertising department under the State Administration for Industry and Commerce, said that Taiwan enterprises should abide by relevant laws and regulations when advertising on the mainland.

They can entrust advertising agencies which are permitted to represent advertising clients or directly entrust the concerned media to perform advertising business, Liu said.

He said the administration has authorized the straits economic and technological cooperation center to inspect Taiwan advertisements. All advertising by Taiwan firms should be submitted to examination by the center before relevant contracts are signed, Liu said.

Magazine Survey Details Top 100 Enterprise Groups*OW1508075194 Taipei CNA in English 0730 GMT 15 Aug 94*

[By Lilian Wu]

[Text] Taipei, Aug. 15 (CNA)—Taiwan's top 100 private enterprise groups posted total revenues of NT\$2.5 [new Taiwan] trillion (US\$94.339 billion) in 1993, equal to 43 percent of Taiwan's Gross National Product (GNP), according to a survey by COMMONWEALTH MAGAZINE.

The monthly said in its latest issue that the Lin-yuan Group and Formosa group topped service and manufacturing industries with revenues of NT\$194 billion (US\$7.32 billion) and NT\$178.1 billion (US\$6.72 billion) respectively.

The survey also found that five groups each posted revenues of more than NT\$100 billion (US\$33.773 billion) in 1993, including the Lin-quan Group, Formosa Group, Shinkong Group, Weichuan-hotai Group and Far East Group in that order. All together, 12 groups each made over NT\$50 billion (US\$1.886 billion) revenues in 1993, totaling NT\$1.18 trillion (US\$44.526 billion), or 20.3 percent of the GNP.

The survey found that revenue gap among the top 100 groups was large. Some 42 groups earned under NT\$10 billion (US\$377.7 million) in 1993, while 36 earned NT\$10-30 billion (US\$377.35 million- US\$1.132 billion). The survey also found that 10 groups each had a revenue of around NT\$30-50 billion (US\$1.132 billion-US\$1.886 billion), while seven of them had revenues of NT\$50-100 billion (US\$1.886-3.773 billion).

Many private enterprise groups have been moving into the financial and service sectors recently and the sectors have become a large source of their revenues and profits, the magazine said.

Among the top 12 groups, nine of them earned their revenues and profits mostly from the financial and service sectors, the magazine said, citing Lin-yuan's Cathay Life Insurance Co., Shin Kong's Taishin Bank and Shin Kong Life Insurance Co., Far Eastern International Bank of the Far East Group, Chinatrust Commercial Bank of the Ho Hsin Group and Eva Air and Evergreen Marine Corp. of the Evergreen Group.

The monthly said that the top ten groups have gradually turned their focus to the service industry, while only the Formosa Group, Tatung Group and Yulon Group continue to focus on manufacturing.

The top 100 [words indistinct], nearly equal to Taiwan's gross national product. Some 13 groups each had assets of over NT\$100 billion (US\$3.773 billion). The Lin-yuan Group topped the list with NT\$520.7 billion (US\$19.62 billion), while the Ho Hsin Group ranked

second with NT\$388.4 billion (US\$14.65 billion), followed by the Formosa Group with NT\$326.6 billion (US\$12.324 billion).

Nation Becomes 'World Leader' in HDTV Development*OW1308090694 Taipei CNA in English 0736 GMT 13 Aug 94*

[By Benjamin Yeh]

[Text] Taipei, Aug. 13 (CNA)—After three years of research, Taiwan has become a world leader in the development of high definition television (HDTV), the format expected to dominate the industry in the next century, a local researcher said Saturday [13 August].

Wu Tso-lo, deputy director of the Computer & Communication Research Laboratories (CCL) of the government-financed Industrial Technology Research Institute, said Taiwan has successfully developed the world's fifth HDTV using digital expertise. All four others were developed by the United States.

The government is scheduled to begin HDTV broadcast service on a trial basis in 1998 and to launch full service before the year 2000.

Taiwan's achievements in HDTV, orchestrated by the CCL, have received international praise. Wu has been invited to attend a meeting of the Digital Audio-Video Council, during which global HDTV standards will be worked out.

The council was responsible for drafting standards for laser and compact discs now widely accepted throughout the world.

"HDTV and conventional television differ greatly in their outlook," Wu pointed out, trying to contrast the futuristic device with traditional TV sets. "Like the movie screen, HDTV is equipped with a screen ratio of 16:9 rather than the 4:3 ratio of conventional TV sets."

The most profound change will be the vast improvement in the quality of visual and audio signals brought by the revolutionary digital technology, Wu went on to say.

Japan was one of the first nations to begin research on next-generation televisions, but its systems employ existing analog technology.

The US is scheduled to begin digital HDTV broadcast service when Atlanta holds the 1996 Olympic Games.

Despite physical advantages, there are mounting barriers on the way to the promotion of HDTV—at least in the few years ahead.

Industry sources said the biggest barrier will be price. Initially, each HDTV will carry a price tag of over NT\$100,000 [new Taiwan] (US\$3,770), three to four times the price of a conventional TV set. After the new format is accepted, however, prices are expected to drop.

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According to Wu, Tatung and Proton Companies, which have been teaming up with CCL in developing HDTV, will put "wide screen TVs" on the market next month. The "wide screen" televisions are the analog predecessors to HDTV.

Coral Industry Seeks Aid During U.S. Sanctions
OW1308090394 Taipei CNA in English 0750 GMT 13 Aug 94

[By Sofia Wu]

[Text] Taipei, Aug. 13 (CNA)—Local coral products manufacturers Saturday [13 August] urged the government to help them weather the difficulties they will face after a US ban on imports of Taiwan-produced wildlife products takes effect Aug. 19.

The manufacturers made the call during a meeting sponsored by the Board of Foreign Trade to discuss ways to minimize the possible adverse impact the sanctions will bring to local industries.

Coral industry executives asked the government to offer them low-interest loans or purchase half of their coral stocks for NT\$5,000 (new Taiwan) (US\$188.68) per kilogram. Local manufacturers currently have more than 36,000 kilograms of coral mortgaged to banks for loans.

They also urged the government to organize islandwide coral exhibitions to help them boost sales in the local market.

US President Bill Clinton announced the ban earlier this week to punish Taiwan for its alleged failure to protect endangered species. The ban covers five categories of products—coral, shells, live gold fish and tropical fish, decorations made of fish bones, bird specimens and related goods.

Coral products makers are expected to be hardest hit by the US trade sanctions certified under the Pelly Amendment of the Fishermen's Protective Act of 1967.

A coral industry representative said during the meeting that local upper-, mid- and down-stream coral products

manufacturers will lose an estimated US\$120 million annually because of the US import ban.

More than 95 percent of Taiwan-made coral products are exported to the United States, Japan, Italy and other countries. Taiwan also imports large quantities of other raw materials needed for making coral-related products from the US. Therefore, industry sources said, the American import ban on Taiwan-made coral products will also affect US suppliers.

Coral makers suggested that the government set up a national coral artifacts museum or a jewelry tourist park either in Suao in northeastern Taiwan or in the offshore island county of Penghu for educational and recreational purposes. Suao and Penghu are Taiwan's major coral products manufacturing centers.

Industry executives also hoped the government can help them take part in three major international jewelry shows to be held in Tokyo, Switzerland and Hong Kong respectively in February, April and September 1995.

Economics Minister Chiang Meets Argentine Officials

OW1608075494 Taipei CNA in English 0718 GMT 16 Aug 94

[By Edward Chen]

[Text] Buenos Aires, Aug. 15 (CNA)—Republic of China [ROC] Economic Affairs Minister P.K. Chiang told the media here Monday [15 August] that the ROC and Argentinian economies are similar.

The ROC needs raw materials which can be supplied by Argentina, while Argentina needs capital goods and computers from the ROC, Chiang said.

Speaking on the purpose of his current visit to Argentina, Chiang explained that he and his delegation were in Argentina to strengthen economic and trade ties between the two countries and seek investment opportunities.

Earlier in the day, Chiang met with economics officials from provincial governments to exchange views on how to promote economic cooperation and ties. Chiang and his 34-member trade delegation flew into Buenos Aires Sunday for a two-day visit.

Hong Kong

Paper Details Plans for Preparatory Committee

HK1308075794 Hong Kong TA KUNG PAO in Chinese
11 Aug 94 p 2

["Special dispatch" by staff reporter Hu Minyi [5170 2404 0308]: "The Political Affairs Sub-Group of the Preliminary Working Committee Has Reached an Initial Consensus on Setting Up the Preparatory Committee for the Hong Kong Special Administrative Region in January 1996, the Transition Process for the Judicial Organs, and the Establishment of the Court of Final Appeal"]

[Text] Beijing, 10 August (TA KUNG PAO)—Today the Political Affairs Sub-group of the Preliminary Working Committee [PWC] discussed several issues relating to the Preparatory Committee for the government of the Hong Kong Special Administrative Region [SAR] and reached an initial consensus on the date of formation, size, functions, and powers of the Preparatory Committee, including the suggestion for including the formation of the court of final appeal in the agenda.

According to Xiao Weiyun, sub-group leader of the Chinese side, the sub-group maintained: At the end of 1995, the Standing Committee of the National People's Congress [NPC] will make stipulations on the decision of the NPC on the Preparatory Committee issue and will appoint committee members and chairman and vice chairmen. With regard to the timing of the Preparatory Committee's formation, considering that the time for China to exercise sovereignty over Hong Kong is approaching ever closer, the sub-group suggests setting up the Preparatory Committee in January 1996 in accordance with the decision of the NPC.

He pointed out: The Preparatory Committee's tasks are to form the special administrative region's first government, legislature, and judicial organs. If these tasks are completed, this will mean that the committee has fulfilled its mission.

Leung Chun-ying, sub-group leader of the Hong Kong side, added: It is difficult to make a conclusion at present on how the length of the Preparatory Committee's term. This depends primarily on when the committee will complete the work relating to the formation of the SAR government. If the first legislature has not been set up by 1 July 1997, the committee's term will go beyond that date.

With regard to the Preparatory Committee's composition and size, Xiao Wei-yun said: The committee should have a broad representation, with Hong Kong membership at no less than 50 percent. While it is not appropriate to have too few Hong Kong members, it is also impractical to have too many Hong Kong members.

Leung Chun-ying pointed out: The number of Preparatory Committee members should be decided in accordance with the committee's functions and powers.

Therefore, it is necessary to predict how many issues the committee will have to handle and how much work will be required to finish them by 1996 and 1997 and then decide on the appropriate size. The sub-group has not held any substantial discussions on this matter.

Regarding the Preparatory Committee's functions and powers, Xiao Weiyun said: They should cover six areas: 1) Electing a committee to form the first SAR government; 2) making preparations for the formation of the first SAR government, which includes forming an electoral committee to elect the chief executive-designate, who will in turn prepare for the formation of the first government; 3) forming the first SAR legislature; 4) studying ways of forming the first district organizations; 5) handling matters relating to the transition of the judicial organs and the formation of the court of final appeal; and 6) making preparations for the ceremony to celebrate the founding of the Hong Kong SAR.

Xiao Weiyun pointed out: The Joint Liaison Group has already reached an agreement on the judicial issue, but it has not been implemented. This being the case, the sub-group placed the handling the issue relating to the transition of judicial organs and the issue of forming the court of final appeal on the agenda.

When asked if the PWC discussion on forming the court of final appeal would clash with the Hong Kong Government's intention of submitting the document on the formation of the court of final appeal to the Chinese side for study and discussion, Leung Chun-ying pointed out: The issue of the court of final appeal is only one of the subjects relating to the functions and powers of the Preparatory Committee which the PWC is now considering, because—in accordance with the decision adopted by the NPC on 4 April 1990 on the formation of the SAR government, including the administrative, legislative, and judicial organs and district organizations—the judicial section includes the existing courts and the court of final appeal, which has not been formed. Therefore, logically, the sub-group also regards the court of final appeal as a issue which requires further study. He stressed: Today the sub-group did not discuss the past, present, and future negotiations between the Chinese and British Governments on the court of final appeal, other related issues, or agreements that have been reached.

Moreover, today the sub-group also further analyzed and summarized the suggestions put forth by the sub-group's work report at the third plenary session of the PWC. Some members said that good suggestions would be accepted. The sub-group would take the differing views aired during the session discussions as a reference and would make some alterations to the wording.

In addition, Lau Siu-kai, a member of the PWC Political Affairs Sub-Group, said: The British Hong Kong Government should cooperate with the Preparatory Committee and should even send officials to assist its work. This will help Hong Kong's public servants establish

relations of cooperation and mutual understanding with the future SAR Government before 1997.

He stated: There must be a clear division of work between the Preparatory Committee and the chief executive of the SAR. After the chief executive is elected, the Preparatory Committee should concentrate on the unfinished tasks, such as forming the first legislature and the court of final appeal, so as to avoid duplication in the exercise of the authority of the chief executive and the Preparatory Committee and reduce possible contradictions between the two.

He also held: The PWC should discuss only the standards for the composition of the Preparatory Committee and should refrain from getting involved in the choice of specific persons, because Preparatory Committee members should be appointed by the NPC Standing Committee. The PWC has no grounds for making a variety of suggestions in advance. Moreover, to avoid conflicts of interest, the PWC should not discuss the individuals to be elected to the Preparatory Committee.

Patten Views Electoral Reform, Reversion to PRC

BR1208131794 Paris LE FIGARO in French 12 Aug 94 p 4

[Interview with Hong Kong Governor Chris Patten by Charles Lambroschini in; place and date not given: "Patten: 'Hong Kong Will Prosper Only by Being Free'"—first paragraph is LE FIGARO introduction]

[Text] Chris Patten will go down in history as the last British governor of Hong Kong. After one and a half century, this crown possession must revert to China in three years' time. But Chris Patten attracts attention for other reasons. Unlike his predecessors, all of them civil servants, he is a politician. As chairman of the [British] Conservative Party, he organized John Major's victorious campaign, at the same time as losing his own constituency of Bath. Governor by the prime minister's personal favor, Patten has refused to satisfy himself with a simple sinecure. Since being appointed in 1992, he has constantly crossed swords with the Chinese to ensure that Hong Kong's identity is maintained after 1997.

[Lambroschini] The 1984 declaration signed by London and Beijing makes provision for Hong Kong to be reverted to China on 1 July 1997. Based on the "one country, two systems" formula which China promised to respect for 50 years, Hong Kong thought that it was being promised democracy. But today, China's leaders accuse you of having had the Hong Kong Miniparliament vote in, on 30 June, an electoral reform which, under the pretext of making elected politicians more representative, is aimed, at sabotaging the transfer of sovereignty, according to Beijing.

[Patten] That would be to credit me with a lot. All I have done is to attempt to strengthen the legitimacy of a terribly complicated electoral system, while respecting the framework of the Sino-British agreements. In order

to ensure the formation of a Parliament which is as balanced as possible, the next round of elections in 1995 will take the form of three types of election: 20 elected representatives will be appointed by direct suffrage in geographic constituencies; another 10 parliamentarians will be appointed by an electoral college consisting of local elected representatives; and, finally, 30 members of the legislature will come from the various professional sectors—building, textiles, tourism, finance, etc.

[Lambroschini] It is with regard to this latter category that Beijing's reproaches appear to be the strongest.

[Patten] This is what I have changed: The block voting by companies has been replaced by an individual vote. Previously there was no real competition and the system encouraged corruption. Indeed one of the professional sector's representatives is right now in prison for buying his election. In the future, the blue collar mechanic will have the same power as the members of the board. But it is this which I am being reproached for. One pro-Beijing politician threw at me: "How can you accept that a road-sweeper vote at the same time as a CEO?"

Special Case

[Lambroschini] In 1997, then, the Chinese are afraid of finding themselves faced with a Parliament which they are unable to control?

[Patten] It is Beijing to which you should address this question. But one of the Chinese authorities' counsellors in Hong Kong made a very revealing remark a few months ago. He said that the Chinese do not rig elections, but that they like to know the outcome in advance. At first sight, the debate with Beijing would appear to relate solely to details of electoral procedures. In reality, much more is at stake. It is a question of determining whether our partners have understood that Hong Kong, far from being a simple laboratory of capitalism, is a pluralist and open society which needs freedom if its values are to prosper. In short, it is a question of determining the viability of the "one country, two systems" concept.

[Lambroschini] Why has Great Britain waited 150 years before granting Hong Kong democracy?

[Patten] In the history of decolonization, Hong Kong has always been a special case. In the case of our other colonies, both in Asia and in Africa, we prepared for independence by setting up a state governed by rule of law, universal suffrage, a two-chamber representative system, and a competent civil service. In certain cases we were successful, as in India, Malaysia, Singapore, and more recently, Zimbabwe. But we have also had resounding failures. But our intentions have always been honorable. In the case of Hong Kong, we did not have this room for maneuver.

Every time, in the forties and fifties, that British Governments suggested that it was time to do in Hong Kong

what we were doing elsewhere, it was the Chinese authorities which objected the most loudly. For example Zhou Enlai. He was afraid that by introducing democracy in Hong Kong, with the right to self-determination as its natural corollary, the people would opt for independence. Whereas, viewed from Beijing, it was enough to wait for 1997 for Hong Kong to return to China.

[Lambroschini] Why then did Great Britain stop listening to Beijing at the very time that it was giving up Hong Kong?

[Patten] When we began negotiating the text of the 1984 Sino-British declaration, which provided, at one and the same time, for the transfer of sovereignty and the maintaining, for 50 years, of Hong Kong's special status, one thing became very clear to us. Democratization was the best means of guaranteeing the preservation, in Hong Kong, of the liberty and the rules of a state based on law. Today, I am very flattered that China attacks me so strongly as the champion of democracy.

Second Passport

[Patten continues] But it is wrong to accuse me of speeding up the pace of democratization. My objective is to ensure that, on the road toward democracy which China has promised Hong Kong, the different steps prove credible and just. Since 1992, discussion has focused on the question of whether the 1994-1995 electoral system would be a simple facade or whether it would be truly genuine.

There are people who think that, if we had not had this quarrel with China, everything would be calm in Hong Kong. But in reality, if we had accepted an unjust electoral system, Great Britain would have had to spend the last five years of its sovereignty fighting every pro-democracy politician in the colony. Hong Kong would have been plunged into a situation of permanent social and political agitation.

[Lambroschini] Many people counter that an electoral culture is something foreign to Hong Kong. Here, people will tell you, people live for business, not politics.

[Patten] Most of the people who say that have a second passport in their pocket. Every time that the Hong Kong population has had to choose between more democracy or less democracy, it has opted for more democracy. There is nothing surprising about this. Here the middle classes are continuing to grow in importance, and they have the same aspirations as everywhere else in the world. For this reason, the privileged people who criticize me are making a big mistake if they think that the stability of the business world can be preserved in a political environment based on electoral cheating. They are very badly wrong if they imagine that the rule of law, which is so necessary for contracts to be respected, can originate in a Parliament which lacks real legitimacy. Who will respect the law if those who make the law have not been elected in a credible fashion?

[Lambroschini] In China, foreign investors are doing increasingly brilliant business, while the legal system remains arbitrary. Do you really believe that capitalists need a state governed by the rule of law?

[Patten] Capitalists need a state governed by the rule of law, and in this sense, Hong Kong must remain unique if it wishes to continue to be what it is. Put another way, a first class international financial center, a business metropolis unrivaled in Asia. I am surprised at the number of capitalists who act with a short-term view. Historically, the leaders of the business world have rarely been in the forefront of the defenders of liberty and the values of pluralist society.

[Lambroschini] These same businessmen are saying that your stubbornness has pushed Beijing into being more intractable on a number of essential economic projects. For example, the building of the new airport. This \$16-billion investment will allow annual traffic to increase from 20 to 50 million passengers a year. But Beijing is proving reluctant to guarantee the long-term loans, accusing the British of wanting to empty the coffers before their departure.

[Patten] That is really pushing paranoia to the extreme. The truth is that the British will be leaving enormous financial reserves behind. One of the largest in the world. British companies have very large investments in the colony and for us it is a question of national honor that Hong Kong continue to be successful. I do not therefore see what interest Great Britain could have in leaving a bankrupt situation behind it. With regard to the airport, it is certainly true that we do not yet have a complete agreement with Beijing. But 40 percent of the world's dredger fleet is currently at work around Lantau island, the site of the future airport. We are continuing work.

China Is Changing

[Lambroschini] Is the anxiety that many of Hong Kong's inhabitants are showing with respect to the 1997 deadline not a sign that, despite the past five years, the Beijing government has been unable to get people to forget the Tienanmen massacre.

[Patten] I believe that these killings have contributed to the politicization of Hong Kong. On the day after the repression, a million of the colony's inhabitants, 97 percent of whom are Chinese, took to the streets to demonstrate. For the fifth anniversary of the repression, on 4 June, some 40,000 people took part in a torchlight watch. Five years later, that is a lot of people.

[Lambroschini] Is the obstacle which your political reforms represent for the Chinese Government not in the process of being overturned by economic reality? That is the daily growing osmosis between China's and Hong Kong's economies?

[Patten] Hong Kong is in the process of playing for China the role which New York played in the opening up of the American heartlands in the great movement of the

economic development of the United States. It has become a cliché to say that economic growth in the world of the next century will depend on the financial resources of Indian and Chinese consumers. With respect to China, Hong Kong could act as the catalyst of an extraordinary dynamism. But this will happen only if Hong Kong retains its specific characteristics. Which brings us back to the political reforms.

[Lambroschini] Are you not afraid, then, that your political edifice will be swept away by the tidal wave of the Chinese economy?

[Patten] I am sufficiently Marxist to know that the economy inevitably has political consequences. When at university we read Hannah Arendt's books on the origins of Nazism, we all learned that technology strengthened the totalitarian structures. Today it is the opposite which is happening. The fax, the mobile phone, personal computers, satellite television, all this favors the exchange of ideas. I believe that these technological innovations will enable the people of the 21st century to experience more liberty and not less.

[Lambroschini] So, between the democrats in Hong Kong and totalitarianism in China, who is going to contaminate whom?

[Patten] I believe that China is changing and that it will continue to change. I also believe that for a long time now Hong Kong has demonstrated its extraordinary capacity to overcome obstacles. This society made up of former refugees is characterized by a dynamism which it is impossible to discourage. No one has ever earned money by betting against Hong Kong. I believe that this will remain true after 1997.

Record 762 Candidates To Contest District Elections

HK1608063094 Hong Kong SOUTH CHINA MORNING POST in English 16 Aug 94 pp 1, 5

[By Fung Wai-kong]

[Text] A record 762 candidates will contest the 346 seats at the district board elections next month, making it the most competitive district-level poll.

An average of 2.2 candidates will stand in each constituency in the September polls—the first of the three-tier elections China does not recognise.

In 1991 there were an average 1.73 candidates and in 1988, 1.87.

Only 48 seats were uncontested, with mostly independents celebrating an early victory, compared with 81 in the 1991 polls.

More than half of the nominees, or close to 400, are affiliated to a political party or group.

The largest contingent falls under the banner of the small "I" liberal coalition of the United Democrats and the Meeting Point.

The coalition is fielding 132 candidates, nine more than it originally planned.

The newly-added candidates included Albert Chan Wai-yip, incumbent district board member and legislator in Tsuen Wan.

Other big groups are the Liberal Party (90) and the pro-China Democratic Alliance for the Betterment of Hong Kong (DAB), 83.

Battles of the UDHK/MP versus the DAB or UDHK/MP versus the Liberal Party were the scenes of most of the contested constituencies.

As in previous polls, 71 candidates put in their registration forms on the last day of the fortnight-long nomination ending at 5.30 pm.

The Government and the Boundary and Election Commission (BEC), the election watchdog, welcomed the keen competition.

Secretary for Home Affairs Michael Suen Ming-yeung said he was satisfied with the vast number of nominees, adding voters were given a real choice.

"This also proved that people still regarded district boards as having performed an important function in the society."

Mr Suen declined to predict whether this would facilitate a higher turnout rate than the last election.

"All I can say is we wanted to see as many people come out to vote as possible," he said.

BEC Chairman Mr Justice Wu Kwok-hing also found the figure encouraging though he had forecast the total count of candidates could reach 1,000.

He said that the canvassing activities of this vast number of nominees will encourage more people to cast their vote on September 18, the polling day.

The electoral roll has expanded considerably to 2.45 million this year compared with 1.9 million in 1991.

But Mr Justice Wu said the figures were not final yet as returning officers were still vetting the qualification of about 100 candidates.

Academics, however, warned that the party-dominated polls meant voters were not given a real choice.

Five candidates, including dissident Lau Shan-ching, were disqualified for failing the residence requirement.

Another five had withdrawn.

In the 22 two-seat district board constituencies, seven will be unopposed.

All seats in Central, Western District and Islands will go to the count.

PRC Advisory Members Number One-Tenth

HK1608063294 Hong Kong SOUTH CHINA
MORNING POST in English 16 Aug 94 p 5

[By Linda Choy]

[Text] More than one-tenth, or 81 of the total 762 candidates for the election, are members of China's Hong Kong advisory bodies.

This is despite China's repeated pledge that, in 1997, it will disband the three-tier political structure formed according to the political reform proposal of the Governor, Chris Patten.

Of the 81 advisers, 75 are district affairs advisers appointed by the local branch of Xinhua (the New China News Agency) for consultation on district management issues.

The others are Hong Kong affairs advisers: the Liberal Party's Steven Poon Kwok-lim, former United Democrat Lau Kong-wah; Raymond Choy Wai-shek; Peggy Lam Pei Yu-dja; Hau Shui-pui; and Wong Siu-ye.

In Eastern District, which is regarded as the stronghold of the pro-China camp, 14 district advisers will be contesting the 34 constituencies.

The United Democrats and Meeting Point are fielding only 10 candidates in the district.

Most of the China-appointed advisers are running under the banners of the Democratic Alliance for the Betterment of Hong Kong (DAB), the Liberal Democratic Federation (LDF) and the newly-formed Hong Kong Progressive Alliance [HKPA].

Together, the three parties fielded about 120 candidates, with the DAB, the territory's leading pro-China party, backing 83 people.

DAB election co-ordinator Cheng Kai-nam said the pro-China groups had not co-ordinated their election plans, but the final list of contestants showed little chance of direct conflict.

The LDF came second with 31 candidates while the HKPA fielded seven, most of them incumbents.

However, the actual number of pro-China candidates could be more, as there were additional candidates backed by little-known grassroots kaifong associations.

City Polytechnic social science lecturer Leung Kwan-kwok said it was not surprising to see the pro-China camp playing such an active role.

"The district board election is the last one under British rule. Despite the criticism from China, it is undeniably a good chance for them to participate in the management of district affairs via legitimate channels," he said.

"There is a need to pave the way for future participation in the running of Hong Kong."

Dr Leung welcomed the participation of pro-Beijing figures in the election and he believed economic development in China would benefit the pro-China candidates.

"I do not see anything bad about it as long as they win the seat through proper election procedures. This can prepare them for post-1997 development."

Some Parties' Strategy 'Limits Voters' Choice'

HK1608063494 Hong Kong SOUTH CHINA
MORNING POST in English 16 Aug 94 p 5

[By Catherine Ng]

[Text] Some political parties have adopted a strategy which effectively limits voters' choice of candidates in the district board elections, according to academics.

Parties such as Meeting Point and the United Democrats have formed coalitions to increase their own chances of success in some constituencies.

But in so doing, they are also reducing the field of candidates from which voters can choose.

City Polytechnic's Dr Leung Kwan-kwok said this strategy of "dividing the spoils" stopped people opting for their ideal candidate.

University of Hong Kong elections specialist Earnest Chui Wing-tak suggests the parties may be going for a bigger prize—the 10 seats which the Election Committee will choose in the 1995 Legislative Council election.

The Election Committee will be composed of district board members.

"Many candidates will appear to be strange to the voters because they were nominated in order to 'plant votes' (for the 1995 Legco election)," he said.

University of Hong Kong politics lecturer Rowena Kwok Yee-fun said the inability of parties to nominate more candidates "has restricted the voters to choosing between A or B".

If the 762 registered candidates were spread evenly through the constituencies, only two would be competing for each seat. No party has been able to nominate enough candidates to cover all districts.

Miss Kwok said: "The fierce publicity campaigns by parties have been an indirect education to the public and a more lively competition on election day should be expected."

Dr Leung said the smaller constituencies resulting from boundary changes would enable parties to concentrate on district-level mobilisation, which should lead to higher voter turnout.

Dr Stephen Tang Lung-wai, of the Chinese University of Hong Kong, echoed this view. He said the emphasis on district mobilisation could be seen in the parties' preference to nominate new candidates rather than experienced party members.

Scrapping the system of appointed district board members had discouraged many experienced and moderate appointed members from joining the competition.

Rejected District Candidate Goes on Hunger Strike

HK1408080094 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 14 Aug 94 p 2

[By Quinton Chan and Queenie Wang]

[Text] Dissident Lau Shan-ching went on hunger strike yesterday and is demanding to see Acting Governor Anson Chan Fang On-sang.

Mr Lau began his fast outside the Central Government Offices in protest over the decision to bar him from standing in next month's district board elections.

But it appears his appeal to Mrs Chan has fallen on deaf ears.

Acting Secretary for Constitutional Affairs Peter Lai Hing-ling defended the decision to reject Mr Lau's candidacy.

In a letter to Mr Lau, Mr Lai said he was absent from the territory for much of the past 10 years.

Mr Lau was jailed in China for 10 years for counter-revolutionary activities and released in 1991.

Candidates must live continuously in the territory for 10 years to qualify.

"There is no question that your nomination has been refused for any political reason," said the letter.

An angry Mr Lau said he would continue his protest action.

"I am not worried about my health. Ten years in jail in China is much harder," he said.

A police spokesman said there was no plan to remove Mr Lau unless there were complaints.

About 10 people turned out to support Mr Lau, including three members of the United Democrats: legislator Cheung Man-kwong, regional councillor Sin Chung-kai and Mr Lau's opponent in the election, Mr Wong Yiu-chung.

This contrasted with the scene in December 1991 when Mr Lau was released from China and mobbed by more than 200 well-wishers at Kowloon railway station.

Mr Lau's wife, Christine Tang Yuen-ching, accused local pro-democracy politicians of failing to support her husband.

"They only came out to support my husband after his nomination was rejected. They are very good at taking political credit."

Mrs Lau also criticised United Democrats support as a purely political stunt.

The dissident agreed: "If they don't support me in the case, it will seriously undermine their image."

But Mr Cheung rejected the allegation, saying the party had yet to receive any request for help from Mr Lau.

Reportage on Visit by Police Commissioner Hui

Hui Urges Closer Cooperation

OW1508130694 Beijing XINHUA in English 1252 GMT 15 Aug 94

[Text] Beijing, August 15 (XINHUA)—Enhancement of the co-operation between the mainland and Hong Kong police forces will help to maintain law and order both on the mainland and in Hong Kong, and ensure Hong Kong's smooth transition, Deputy Minister Tian Qiyu of public security said here today.

Tian made the remark this afternoon when meeting with Hong Kong Commissioner of Police Eddie K.O. Hui, who arrived here this morning.

The mainland and Hong Kong police forces have scored noted achievements over recent years in promoting mutual understanding, exchanges and co-operation, as well as in joint efforts to crack down on crimes.

This is the commissioner's first visit to Beijing since he took office in July this year.

Noting that less than three years are left before China resumes its sovereignty over Hong Kong, Tian said that the mainland police will support their Hong Kong counterparts' efforts to ensure Hong Kong's smooth transition, lasting stability and prosperity as well as the stable life of the residents of Hong Kong.

Differences in social and legal systems should not obstruct the exchanges between the police forces of the mainland and Hong Kong, Tian asserted.

Co-operation between the two police forces through Interpol has been successful for many years, Tian noted, adding that border meetings and meetings between Hong Kong and Guangdong police officers have also played a positive role in this co-operation.

Agreeing with Tian, the Hong Kong police commissioner said that maintaining stability in the ranks of the Hong Kong police force is one of his main tasks. Therefore, he suggested, more Hong Kong police officers should be given opportunities to visit the mainland so as to promote their confidence in the future of Hong Kong.

Visit by Police Commissioner Welcomed*HK1608070894 Hong Kong EASTERN EXPRESS in English 16 Aug 94 p 2*

[By Shiny Li in Beijing]

[Text] The first visit to Beijing by the Commissioner of Police, Eddie Hui, has been welcomed by Chinese officials as a friendly gesture which is aiding cross-border co-operation in the transitional period.

The vice-minister of public security, Tian Qiyu, said during his meeting with Hui yesterday: "Although you (Hui) took office not long ago, you have come to visit Beijing. This is a good beginning."

Hui, who became the commissioner on July 3, is on a three-day visit to Beijing.

He will meet the director of the Hong Kong and Macao Affairs Office, Lu Ping, this afternoon and will have discussions with the mainland police commissioner, Zhu En Tao, this morning.

The meeting with Lu is a positive sign for the relationship between China and Hui.

When the British minister with special responsibility for Hong Kong, Alastair Goodlad, visited Beijing last month, his meeting with Lu was cancelled at the last minute.

Hui said Hong Kong's former police commissioner was highly thought of by the Chinese.

Hui said: "He (Tian) is very satisfied with progress, and especially highly appreciated the role of Li Kwan-ha in strengthening the co-operation between Hong Kong and the mainland."

"The purposes of my visit are to say hello to my counterpart in China, to review and to discuss our co-operation in the law and enforcement fields," Hui said.

"If time permits we will also talk about cross-border crimes."

After his 45-minute meeting with Tian, Hui said: "We discussed co-operation. At the present moment, we have (links) through Interpol, the direct link between Hong Kong and Guangdong, and also the border liaison."

"Mr Tian suggested that we should expand our channels to include other areas, such as training, equipment and seminars."

The director of criminal investigation, Tsang Yam-pui, later explained training might include the exchange of personnel to learn about their counterpart's operations.

He said public security officials might be sent to Hong Kong to give training.

Zhu, who received Hui at the airport, said he believed the new commissioner would co-operate closely in cracking down on crime.

"We believe we can have more progress now."

The political row between China and Britain would not affect cooperation on law and enforcement between the two, Zhu said.

Reportage on Importance of Re-Export Trade**Mainland Remains Largest Partner***OW1508140394 Beijing XINHUA in English 1347 GMT 15 Aug 94*

[Text] Hong Kong, August 15 (XINHUA)—The Chinese mainland remained the largest partner for Hong Kong's re-export trade.

Statistics released here today showed that 88 percent of the total re-exports going through Hong Kong in the first half of 1994 involved the mainland in either direction.

According to the Census and Statistics Department (CSD), the total re-exports of Hong Kong during the first six months of this year were valued at 428.3 billion Hong Kong dollars (approximately 55 billion U.S. dollars), accounting for 81 percent of the territory's total exports and 39 percent of its total external trade.

Re-exports originating in the Chinese mainland accounted for 56 percent of Hong Kong's re-export value in the first half of this year, meanwhile, 35 percent of the territory's re-export value was destined for the mainland, according to officials with CSD.

Much of the re-export trade involving the Chinese mainland is related to outward processing as raw materials and semi-manufactured goods are exported to the mainland for processing and the final products subsequently returned to Hong Kong, they said.

Other main origins for Hong Kong's re-exports in the period included Japan (accounting for a share of 14 percent), Taiwan (7.9 percent), the United States (4.8 percent) and the Republic of Korea (3.0 percent).

The main destinations for Hong Kong's re-exports in the same period, besides China, included the United States (accounting for a share of 21 percent), Japan (5.5 percent), Germany (4.5 percent) and Britain (2.9 percent).

Re-Exports Over 80 Percent of Exports*HK1608071194 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English 16 Aug 94 p 2*

[By Simon Fluendy]

[Text] Re-exports rose to command more than 80 percent of the value of all Hong Kong exports in the first half of the year.

About 81 per cent of the value of exports are in goods being re-exported from Hong Kong, while re-exports make up 39 per cent of all trade by the territory.

In same period of 1993, the figures were 78 per cent and 38 per cent respectively.

Government figures released yesterday also give details of source and destination of re-exports and a breakdown of industrial classification of all exports during the second quarter.

For re-exports, China continued to be the key trading partner for Hong Kong.

Out of \$428.3 billion in goods passing through the territory, 88 per cent, or \$378.4 billion, involved China, in either direction.

Goods originating in China accounted for 56 per cent of re-export value while as a destination its share was 35 per cent.

Japan, Taiwan and the United States were next in ranking for sources of re-exports, with total values of \$58.3 billion, \$33.88 billion and \$20.68 billion respectively.

The values went up by 10.2 per cent each for Japan and Taiwan and up by 17.4 per cent for the U.S.

The three most important destinations for re-exported goods were the U.S., Japan and Germany, with figures of \$90.1 billion, \$23.36 billion and \$19.37 billion respectively.

Re-exports to the U.S. grew in value by 15.4 per cent while rises of 24.8 per cent and six per cent were recorded by Japan and Germany.

Figures for re-export by commodity show the impact on Hong Kong trade of China's huge spending programme on telecommunications infrastructure.

Re-exports of telecommunications equipment were up by 62 per cent, or \$4.4 billion.

Re-exports to China of plastics also shot up, by 35 per cent, or \$2.3 billion.

Decreases were shown in specialised machinery and non-ferrous metals, which were down 25 per cent and 11 per cent respectively.

For re-exports to the U.S. significant increases were recorded in the telecommunications and sound recording equipment sector, where re-exports were up by 55 per cent, or \$3.4 billion, and the miscellaneous articles sector, which includes sporting goods, where value was up by \$2.3 billion, or 12 per cent.

Decreases in re-export values to the U.S. were recorded in clothing, down 12 per cent, or \$1.5 billion, and non-ferrous metals, down 27 per cent, or \$40 million.

Meanwhile, domestic exports were dominated by four major industry groups: textiles, clothing, machinery, equipment, apparatus, parts and components, and consumer electronics. [sentence as published]

These four areas accounted for 68 per cent of total domestic exports in the second quarter.

Exports of clothing were up by one per cent to \$9.3 billion in the quarter compared with the same period a year ago.

Machinery and parts exports grew by nine per cent, to \$8.3 billion.

At the same time, exports of textiles dropped by three per cent, to \$10.9 billion, and those of consumer electronics by six per cent, to \$8.1 billion.

Exports of chemicals were up by 11 per cent, or \$194 million, and exports of food rose by \$115 million, or 23 per cent.

Marked changes were recorded on the value of exports of plastic products and professional optical products, which were down \$189 million, or 13 per cent, and \$91 million, or two per cent, respectively.

Mainland Cash Laundered Through Forex Industry

HK1508113294 Hong Kong EASTERN EXPRESS in English 13-14 Aug p 4

[Article by Stacy Mosher]

[Text] Hong Kong law enforcement officials have long noted the use of foreign exchange, or forex, companies for laundering the proceeds of organised crime. However, the forex trade had been left virtually unregulated until the introduction of the Leveraged Foreign Exchange Trading Ordinance, which becomes effective next month.

Forex companies are often part of groups of companies that also trade in other forms of investment such as real estate, which are also useful for laundering funds.

The same mechanisms that assist criminals are equally useful for transferring state funds out of China and making them indistinguishable among the U.S.\$60bn [billion] of leveraged currency traded every day in Hong Kong.

In spite of the doubts with which officialdom regards forex firms, family members of Beijing's top officials have been willing to ally themselves with forex firms or with office-bearers of those firms.

Last year, it was revealed that a Chinese company, China Venturetech, was the partner of Standard Forex in New York, which had a federal court complaint filed against it in January that year for committing fraud through the offer and sale of illegal foreign currency contracts. Authorities cited U.S.\$3.8m in losses reported by 200

investors. In its advertisements, Standard Forex claimed that it was affiliated with trading companies in Hong Kong and with overseas agencies of the government of China. A commodity commission senior attorney said in her court brief that China Venturetech received U.S.\$170,000 in consultant fees in 1992 from Standard Forex, as well being a partner in the firm. Officials of China Venturetech insisted that they were only passive investors and that they lost U.S.\$150,000 through the firm.

China Venturetech is run by Chen Weili, the Stanford-educated daughter of party elder Chen Yun. Chinese patriarch Deng Xiaoping's daughter, Deng Nan, has been reported in the Chinese-language press to have a stake in the company.

The company has a Hong Kong branch, China Venturetechno International, with a well-appointed office in the Far East Finance Centre, which it purchased at the beginning of 1992 for \$32.8m. China Venturetechno International has invested heavily in luxury real estate in Hong Kong. Between July 1991 and October 1993 it paid nearly \$25m [Hong Kong dollars] for flats in developments such as Pacific Palisades, Beverly Hill, and Hong Kong Parkview, and another \$30m for an office in the K Wah Centre in North Point.

Another company with a prominent mainland participant is part of Hong Kong's Topworth group of companies. Topworth International, which shares an address and a director in common with other members of the group, is the parent company of Lida International Financial Data of San Gabriel, and Worth Financial Data of San Francisco. United States authorities froze the assets of all three companies earlier this year after accusing them of selling futures contracts on unregistered exchanges.

The group's Topworth Investment (China), has as one of its shareholders Yip San-loong, who is the son of Ye Xuanping, former Governor of Guangdong and now vice-chairman of the Chinese People's Political Consultative Conference. The company's other directors include Heung Wahkeung, who with his brother Heung Wah-sing, is prominent in the Hong Kong film industry.

A police triad expert testified in court in 1991 that the Heung brothers' father, Heung Chin, established the Sun Yee On triad society in the 1940s. A brother, Heung Wahyim, was convicted of triad-related offences, but later acquitted on appeal.

Another Hong Kong company with affiliates currently under investigation for defrauding Asian immigrants, known as affinity fraud in the United States, is Frankwell Holdings. Four affiliates and a subsidiary were closed down in June pending a court hearing this month. Frankwell also has operations in Beijing, Guangzhou, Wuhan, Hamburg, and several cities in the Middle East and Asia.

The vice-chairman of the Frankwell Group, Carl Ching, is the founder of a company called Lightman. Company records indicate he is still a director and minor shareholder.

In 1991, a company called Keen Shine bought shares in Lightman, which at the same time acquired a director named Zhang Kang-ping. Both Zhang and Keen Shine give their address as an office in Admiralty Centre. Keen Shine's shareholders and directors are all nominee companies. But Zhang is a director in Continental Mariner Investment, in which Poly Technologies and Citic Development have a stake through Source Holdings. Citic, a state controlled investment company, is an investment stronghold for the relatives of Beijing officials, and Poly Technologies is a major enterprise of the People's Liberation Army. Both Citic and Poly Technologies are currently headed by Wang Jun, the eldest son of party elder Wang Zhen.

Several other companies share the Admiralty Centre office with Keen Shine, all with nominee shareholders, and all with Zhang as a director. Other directors of the companies include Wang Jun and He Ping, the husband of Deng Xiaoping's favourite daughter, Deng Rong, as well as He Ping's brother, He Zheng.

Two of the companies had as their director a Macao man, Leong Chong-pio, whose company, Hing Lung Hong, has been reported to market military equipment for the PLA. Leong resigned his directorship in one company in 1992, and in the other in April last year. In 1989, the Portuguese news agency LUSA quoted Western intelligence sources as saying they suspected Hing Lung Hong was a conduit for shipping Silkworm missiles and other military equipment to Iraq.

The company's vice-director, Mickey Lai, vehemently denied the allegations, but admitted attempting to sell jeeps and unspecified Chinese military aviation equipment to countries that he refused to name. He added, "the transaction did not take place". Lai also admitted that Hing Lung Hong "maintained a close relationship of co-operation" with Poly Technologies.

The linking of prominent mainland figures with questionable concerns is not limited to the forex industry.

A senior police source says that a major loansharking syndicate broken by police a few years ago laundered money for influential mainlanders through travel agencies and other enterprises.

Chinese leaders have for years expressed dismay at the outflow of state funds through corrupt dealings, but with rumours of involvement by people close to those at the top, effective prevention measures may be some time coming.

"Every week we see some 26-year-old coming out of the mainland with a passport from Belize or wherever, and right away he deposits literally millions of U.S. dollars in

a bank account," says one law enforcement officer involved in investigating commercial crime.

"They use some of the money to buy a shelf company [often through company formation firms controlled by triads] and then go out and buy property in Hong Kong."

He and other officials involved in commercial crime admit pessimism over the effectiveness of legislation, such as the Leveraged Foreign Exchange Trading Ordinance, if people in positions of influence are linked to such abuses of the system. In any case, the new ordinance targets financial default by the firms rather than routine cheating of ill-informed small investors. The ordinance also will have little effect on the use of forex firms for money laundering.

One senior police officer feels that the Serious and Organised Crimes Bill, currently being examined by a Legislative Council bills committee, could be used against the use of forex companies by triads and their corrupt associates.

"But by the time the bill passes through the bills committee, it'll be so watered down that it will be no use at all," he said.

Shanghai To Receive Aid for 'All-Night Center'

OW1208164294 Beijing XINHUA in English 1516
GMT 12 Aug 94

[Text] Shanghai, August 12 (XINHUA)—The Hong Kong and Shanghai Banking Corporation (Shanghai branch) and the Hang Seng Bank today signed an agreement here to provide 100 million U.S. dollars to build an all-night center in Shanghai.

Located in front of the new railway station, the center is going to be built by the Shanghai Ganghu Properties Co. Ltd., which was set up jointly by Hong Kong firms and China Everbright Holding Co. Ltd. in 1992.

The Shanghai all-night center, with a total investment exceeding 600 million U.S. dollars, will consist of nine building blocks with a total construction space of 520,000 square meters.

It is also a large business center integrated with shopping, catering, recreations and residences.

The location of the center used to be a vast stretch of waste land with old, dilapidated shacks.

Efforts Toward Better, Cleaner Territory Reported

OW1208164094 Beijing XINHUA in English 1532
GMT 12 Aug 94

[Text] Hong Kong, August 12 (XINHUA)—Each day there are about 340,000 vehicles running on the overcrowded roads in Hong Kong, emitting large volume of toxic gases.

It is estimated that the number of vehicles in the tiny territory which covers an area of slightly over 1,000 square kilometers will grow to 610,000 by the turn of the century.

The toxic gases from traffic exhaust, together with emissions from power stations and other industries, have raised the air pollution of the territory to health-threatening levels.

Statistics showed that the rate of chronic bronchitis among the local children and their mothers is 10 times higher than their counterparts in Japan, and the number of asthma cases among the children has doubled over the past four years.

Hong Kong, literally meaning "fragrant island" in Chinese, might smell stinking some day if continuous efforts were not made to handle the vast amount of waste generated by its six million residents, experts pointed out.

Officials from the local environmental department said that each day the territory generates over 42 million kilograms of waste in addition to the daily generation of two million tons of waste water which is enough to fill 1,000 olympic size swimming pools.

About 20 tons of floating rubbish is also collected each day from the Victoria harbor, a major scenic spot of Hong Kong, they said.

The deteriorating living surroundings in the rapidly-developing territory in recent years has aroused the great concerns of the local government.

Over the past few years, the government has taken or tightened a number of measures to curb the ever-worsening environment including meting out punishment for individuals or organizations breaching the environmental protection rules.

For example, the maximum fine for industrial pollution may amount to over 100,000 Hong Kong dollars based on the extent of the pollution caused.

Last year, the government increased the amount of money levied on each household for the disposal and treatment of their sewerage.

To tackle the contamination of the water in the Victoria harbor, the government is currently planning to build treatment facilities for the sewerage discharged into the harbor, which, however, will not become operational until 1997.

Local environmental protection activists have also voiced their great concerns over the deteriorating environment of the territory by arranging various kinds of events.

The latest effort made by a local environmental protection group is the organizing of the Green World Expo '94, the first of its kind ever held in the territory.

Organized by "Friends of the Earth" (FOE), one of the most active local non-governmental environmental protection groups, the three-day event which opened here today has drawn large crowds of visitors.

At the exhibition, hundreds of environmental protection products ranging from electric vehicles to electrical household appliances are displayed, and different means of education, such as paintings, artistic performances, pamphlets, quizzes and games, are employed to attract the public's attention to the protection of the environment.

"Through such activities, we hope to raise the local residents' awareness of the deteriorating living environment around them so that we can fight together for a better and cleaner Hong Kong," said a FOE member to this reporter.

Macao

Number of HIV-Infected Women 'Alarming High'

HK1308054594 Hong Kong EASTERN EXPRESS in English 13 Aug 94 p 6

[By Harald Bruning in Macao]

[Text] Public health officials in Macao have expressed concern that an alarmingly high number of the enclave's HIV carriers are women. Dr Fernanda Ferreira, the director of the Macao Public Health Laboratory, revealed that seven of the enclave's 81 HIV carriers had died after contracting Aids. Ferreira said that 75 per cent of HIV carriers are women and there were no intravenous drug users among those infected with the virus.

The figure sharply contrasts with many other countries and Hong Kong, where the large majority of HIV carriers are men and a substantial proportion are drug users.

Ferreira said that no intravenous drug users were among those infected with HIV. Homosexuals are a minority among Macao's HIV carriers. Twenty-one HIV carriers have been detected so far this year, compared to 40 for the whole of last year. Twenty thousand Aids tests have been carried out by the Macao Public Health Laboratory since 1986.

A senior Health Department source said the "majority" of the women who tested HIV positive were "sex industry workers, mostly imported from Southeast-Asian countries, such as Thailand".

Aids testing began in October 1992, when the Macao government introduced mandatory tests for employees of entertainment businesses, such as nightclubs, saunas and massage parlours. The 4,000 local and imported sex-industry workers are required to undergo blood tests for the disease every three months.

To get their work permits renewed, foreign sex workers must produce Aids-free health certificates to the Immigration Department. Those testing HIV positive or refusing to take the tests are required to leave the enclave.

There are more than a dozen nationalities among Macao's 2,000 foreign "imported specialist entertainment workers" who are brought in as masseuses, dancers and hostesses under a labour-importation law. Most foreign sex workers are Thais, but there are at least 60 Russian and Eastern European women employed in the industry.

Prostitution is technically illegal, but tolerated by the Macao authorities as long as it is confined to licensed entertainment businesses. Tour operators in the enclave favour compulsory Aids testing for sex and entertainment industry workers. Community leaders have warned that the disease could quickly get out of hand.

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